Across Canada in 17 Hours (Page 16)

THE FINANCIAL POST

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The Nation's Business

Western Debt Issue Needs Leadership from Ottawa

Railway Problem Not Solving Itself

Two Major Lines Co-operate But Little

Private Trustees Must Now Be Careful

Western Paper Wants Canada To Hold All Its Wheat

Ottawa Can Save West from Repudiation

THE news from the West that provincial cabinet ministers in Manitoba and Saskatchewan are becoming increasingly restless under their financial burdens need not surprise anyone who has looked at the western situation realistically.

When radical pressure forced Alberta into an act of repudiation—that of forcing lower interest rates upon holders of the bonds of that province—it was inevitable that political pressure for similar measures in Manitoba and Saskatchewan would embarrass the premiers of those provinces. Both Premier Patterson and Premier Bracken are men of high political standards. But both of them are facing a rising tide of discontent and it is not unnatural that they should consider whether it is more expedient for them to swing moderately to the Left themselves or be swept aside entirely in a victory of Leftist forces.

The Financial Post in recent months has discussed the financial problems of the western provinces and municipalities as a matter of the greatest urgency. Yet when the premiers and provincial treasurers met at Ottawa early in December the problem was not even on the agenda and the Dominion Government had no leadership to offer in producing a rational, orderly plan of debt refunding for the West. The present disquieting news from the West is the logical consequence of that lack of leadership.

* * *

THE situation in Alberta is equally significant in pointing to the need for an immediate policy of financial action to save the West from destructive radicalism. One group in the Aberhart cabinet is formulating its plans for drastic new Social Credit legislation. Another group in the cabinet is quietly working to bring Alberta back to sanity. The Premier has not declared his position. His remarks last Sunday would seem to promise that he will go with the moderates. The resignation of Hon. C. C. Ross points the other way. Probably Mr. Aberhart is, in his traditional fashion, wavering indecisively. Ottawa can help him to decide to go the way of sanity for the sake of reconstruction.

Whatever is done for Saskatchewan and Manitoba should be done for Alberta, too, on suitable terms. That is the best way to ensure Mr. Aberhart's acceptance of the advice of his more moderate associates.

From Ottawa it is reported that the Dominion may make concessions to these provinces by increasing their subsidies temporarily and taking over their old age pensions. Such a measure may be unavoidable, but it would pile up trouble for the future by arousing demands in other provinces for larger Dominion subsidies and grants. Redistribution of the financial benefits of Confederation should be undertaken only after a thorough study by an independent Royal Commission, that was proposed at the recent Ottawa conference and is apparently favored by Minister of Finance Dunning.

What the West needs more than anything else is Dominion Government leadership in a debt refunding plan that will lower the interest burdens upon the provinces and municipalities and raise their credit standing. This is what Ottawa should have been sponsoring long ago and what it should undertake to make available now.

* * *

Railway Problem Not Solving Itself

TO THOSE politicians who claim that prosperity will solve our railway problem the 1936 operating results of the Canadian National Railways will be rather disappointing, present indications being that the operating deficit will be about the same as in 1935. Deficit in 1935, was as follows:

Available for interest ...	$4.6 millions
Deficit:	
After int. on pub. debt	48.9 "
After int. due gov't. ..	84.8 "
After all charges	115.3 "

Latest available figures show that gross revenue of the C.N.R. increased by $10.3 millions in the first 10 months of 1936. Operating expenses, however, increased by almost the same amount, the improvement in net revenue being only $81,355.

The C.P.R. made a much better showing. While the increase in gross earnings of $7.9 millions in the 10-month period was not as large as in the case of the C.N.R., the improvement in net revenue amounted to almost $600,000, operating expenses increasing by only $7.3 millions.

This seems to suggest, without all the needed figures for proof being

(Continued on page 2, col. 3)

See Aberhart Torn Between Right, Left

Alberta's Premier Thought Undecided Which Way To Turn

MORE LAWS COMING

From Our Own Correspondent

EDMONTON.—Acceptance of the resignation of Hon. C. C. Ross, Minister of Mines, and his replacement by Hon. Nathan E. Tanner, Social Credit member and Mormon bishop, are interpreted here as a definite swing by Premier Aberhart to the left wing of his party.

Mr. Ross, representative of the moderate element in the Cabinet, has been opposed to radical legislation, particularly the Hargrave scheme now under consideration to set up a new monetary system in Alberta. It is believed the minister's resignation has been in Premier Aberhart's hands for some time. Its acceptance would be taken as an unequivocal declaration by the Premier of support of the radical element in his party, if it were not for Mr. Aberhart's appeal last Sunday for the support of the moderate groups.

Observers are now watching closely for a cabinet decision on the monetary project, worked out last month in conference with John Hargrave, leader of the British Social Credit or Green Shirt party. Hargrave's presence in Alberta was seized on as an opportunity to revise the Aberhart programme into conformity with the theories of Major C. H. Douglas.

Mr. Aberhart himself, it is believed, asked Hargrave's advice, but up to the present the Premier has not identified himself with the project adopted by the left wing of his party.

Bank of Issue

Main features of the new plan involve a bold attempt to set up a domestic monetary system for Alberta, with an Edmonton-controlled bank of issue, secondly, the appropriation by the Aberhart Government, in defiance of the Canadian constitution, of complete jurisdiction over money and credit, and lastly, a scheme for attempting the monetization of "real wealth," which involves among other things, a measure of socialization of natural resources.

Existence of the new plan was revealed, in the first instance, by R. E. Ansley, M.L.A., party secretary, when he promised an Edmonton gathering of Social Credit delegates from 17 constituencies, that the coming session of the legislature would see legislation "that will seem to be drastic."

Promptly ministers of the Crown denied that Mr. Ansley had the right to commit the Government to specific policies, and Hon. Charles Cockroft, provincial treasurer and acting premier, said frankly he knew nothing about it.

Premier Aberhart, in Vancouver at the time, said: "There is no intention of introducing drastic legislation."

Kept in Dark

Obviously the moderate element in the Cabinet had been kept in the dark regarding the new plan, and Mr. Ansley had spoken before his leader had even considered the scheme, much less given it his approval.

One advantage on the side of the radicals arises from the fact that the Aberhart plan, set out in the Alberta Credit House Act, has been dormant for three months, and a definite proposal, coming just before the deadline for producing dividends, is likely to be attractive to adherents who have lost faith in Aberhart proposals, who suspect that Douglas may have been more or less right and who foresee quick political disaster if nothing is done.

On the other hand, Mr. Aberhart may not be willing to trust his own and Alberta's fate to the hands of the radical group, responsible, among other things, for the ill-starred scrip experiment. Adoption of the new plan, it is believed, would certainly lead to rupture with moderate ministers and an undetermined number of private members.

Economic Home Rule

The new Social Credit plan was worked out by Hon. W. W. Cross, Hon. W. A. Fallow, Hon. Lucien Maynard, and Mr. Ansley. Judging from hints concerning it, it will involve a determined effort to set up a complete system of economic home rule in Alberta.

The left wing regards as error the idea that a new system can be set up in competition with the old system of bank money. It recognizes the limitations imposed by the constitution on the province's powers over money and credit, but advocates forthright defiance of the constitution.

One of the main criticisms of Aberhart policy so far has been that it failed to halt further alienation of natural resources, such as oil lands and mines. The scheme would require that property rights in unalienated resources be vested in the new bank.

The transaction, as it is visualized, would involve sale of natural resources by the Government to the bank, for which would be paid paper securities issued by the bank. The Government, so the proposal runs, would have then acquired monetary value, which it could then proceed to use, either making loans, giving it away as dividends, or paying its bills.

The basis upon which dividends would be declared to the public would be shares in the state bank's assets, these shares going to registered citizens as gifts.

Ottawa Feels Pressure Of West on Debt Issue Faces 4 Alternatives

Western Provinces Seek Aid To Balance Budgets

LOOK TO DOMINION

From Our Own Correspondent

OTTAWA.—The Dominion authorities are again grappling with the problem of provincial finances, and several alternative policies are being discussed. The matter is being rapidly driven to a crisis by the demands of Manitoba and Saskatchewan. These provinces are reported to be ready for drastic action if help is not forthcoming soon.

Specifically, the report reached Ottawa that a conference had been under way at Winnipeg at which three members of the Saskatchewan Government were seeking to induce Premier John Bracken and his colleagues to join with them and the Alberta Government in seeking from Ottawa an increase in the provincial subsidy as a means of relieving a situation rapidly becoming intolerable.

Manitoba Plans

Apart from this week's developments there are recurrent reports that the Manitoba Government is prepared, if it gets nowhere with its demands on Ottawa, to take arbitrary action in reducing interest rates on outstanding provincial securities. It would call first for a "voluntary" reduction by bondholders.

The matter has come to a head because of the inability of either Saskatchewan or Manitoba to balance their budgets. Manitoba is about $150,000 down in the current year, making no allowance whatever for unemployment relief, which is being borrowed from Ottawa.

Saskatchewan has a larger deficit. These shortages are not serious in amount, but in order to meet civil service salaries and other bills, the money must be raised somewhere. There is no longer any statutory authority enjoyed by the Dominion Government to advance money to a provincial government except as a loan of their share of unemployment relief, or in connection with certain works projects already authorized, or to be authorized.

Four Alternatives

The four alternatives which may be said to be facing Ottawa at the moment are these:

(a) Leave Saskatchewan and Manitoba to their own resources.

(b) Approve of an increase of the annual subsidy as an emergency measure.

(c) Take over 100 per cent of Old Age Pensions costs

(d) Sponsor a scheme of debt refunding under Dominion guarantee.

Though the first alternative sounds callous, there are some members of the Government who see no reason why Manitoba and Saskatchewan should not—so far as their credit is concerned—be dissociated from the Dominion credit entirely. It is recalled that there grew up during the Bennett regime a theory that the Dominion could not afford to let a province default, that, if

(Continued on page 2, col. 5)

H. T. JAFFRAY

W. G. MORE

G. D. RITCHIE

Appointments announced this week complete senior executive staff changes of the Imperial Bank of Canada. Following retirement of F. A. Rolph as president and appointment of A. E. Phipps as his successor, H. T. Jaffray, Toronto, formerly assistant manager, has been promoted to general manager.

Two new assistant general managers have also been named: W. G. More, Toronto; and G. D. Ritchie, Winnipeg.

New Regulations Made For Protection of Funds

Suggestions of The Post Adopted in Principle by Law Society

Self-imposed regulations aimed at preventing recurrences of the "Huggard case" and similar betrayals of trust by Ontario lawyers will come into effect among members of the Law Society of Upper Canada Feb. 1.

They follow in principle the suggestions made by The Financial Post a month ago, providing definite rules for separation of clients' funds from those of barristers' accounts, and under certain circumstances to permit a chartered accountant to examine the books and accounts of barristers and solicitors.

Copies to All Lawyers

The regulations, approved by the Benchers of the law society, follow a lengthy study of the whole subject by a special committee, headed by G. W. Mason, K.C., Toronto. Copies of the regulations are being sent to all barristers and solicitors in Ontario.

Although the new rules provide severe penalties for improper use of clients' funds, they are effective only among members of the legal profession and have no effect on thousands of other professional and businessmen acting in the capacity of private trustees. Ontario Government authorities have had this phase of the situation under observation for some time, but it is admittedly a huge task to attempt regulation of all types of private trustees along the lines of supervision used for financial institutions, and there is no indication that early action in that direction is likely. Meanwhile, the new rules of the law society provide for suspension of lawyers guilty of violating their provisions.

Text of Regulations

The new regulations in part read:

"1. Every barrister and solicitor shall keep such books and accounts

(Continued on page 5, col. 7)

Fire Loss Dips To Record Low

Fire losses in Ontario in 1936 dipped to the lowest figure since statistics have been compiled. Despite an increase in the number of fires from 14,635 to 14,727, total loss, according to preliminary figures of the fire marshal's department, amounted to only $7,609,872, a reduction of $554,477 from the previous year.

Fire insurance companies do not stand to benefit as much as the above figures would indicate, however. Insurance loss last year was $6,716,228 as against $6,844,742 in 1935, a difference of $128,514.

Dwellings continue as the largest classification of fire loss, with stores, factories and barns following in that order. All of these, with the exception of factory risks, registered marked improvement in 1936. These four classes, which comprise some 78% of the total provincial loss, compare as follows:

Ontario Fire Loss

	1936 $	1935 $
Barns	1,005,584	1,135,002
Dwellings	2,182,610	2,471,569
Stores	1,415,707	1,659,484
Factories	1,323,505	1,090,723

G. Tamblyn Ltd. Shows Sales Increase of 7%

Excellent Christmas business was enjoyed by G. Tamblyn Ltd., drug chain, The Financial Post is informed. Sales for December were up approximately 7% as compared with the same month of 1935, and profits showed a proportionate increase.

Since the end of August when the preferred stock was refinanced and the common shares split there has been marked improvement in the company's working capital position.

U. S. Strikes May be Felt In Dominion

If Labor Trouble Continues, Canadian Plants Will Be Hit

SUPPLIES SHRINK

A serious shortage of body stampings on one or two leading makes of cars is the most important indirect threat to automobile production in Canada as strike clouds hang over the industry in the United States. The situation affects a host of companies who depend on motor firms for their sales volume in steel, parts, and so on.

Chief threat at the moment is a possible tie-up in the United States of General Motors Corp. plants, which, if it materialized, would indirectly affect Canada through cutting off supplies of body stampings—one of the few items not produced in Canada. Reports at mid-week indicated that 15 of 69 plants of General Motors Corp. were closed by reason of labor disturbances.

It is believed unlikely that a complete shut-down will be necessary in the Canadian company's plants, but curtailment in some lines cannot be long delayed.

On some G. M. lines, supplies of stampings in Canada are sufficient to take care of production needs for some time. On other lines, notably Chevrolet, the situation will become serious very quickly. Sufficient supplies of finished product are said to be available to meet dealer needs for the present, however.

Agitators at St. Catharines

Labor relations in Canadian plants continue satisfactory, according to well-informed opinion. The Kelsey Wheel Co. strike at Windsor proved to be an almost complete flop. Union agitators have been currently active at the McKinnon Industries plant at St. Catharines, but no stoppage has been reported as yet.

Canadian cars are also reported well supplied with their requirements of plate glass for windshields, windows, etc. This is one of the links in the supply chain which has been most actively attacked in the United States.

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Swindlers on Rampage

The mining industry is facing a new year under better auguries than it has enjoyed for a long time. The price of gold seems as firmly entrenched as ever, copper, lead and zinc prices have been moving steadily upward. Many properties will start in production in 1937. It looks like a good year.

But unless the industry, and those interested in it, squarely face what is a serious situation in the promotional end, Canada in general, and the mining industry in particular, will receive serious injury.

The Financial Post has, from time to time, sought to draw attention to the number of crooked promotional houses, and crooked promoters operating in Ontario, whose operations extend into other provinces. Continued intense activity in the mining market has made the activities of these men easy. The Financial Post believes that laxity on the part of the Securities Administration in Ontario has made it still easier. This laxity is in striking contrast to the vigilance of the Ontario Government a year ago.

* * * *

First Promise

When the present Ontario Securities Commissioner took office it was thought that a new day had dawned for the promotional end of mining. Mr. Godfrey, during his first year or so of office, showed himself to be aggressive and thoroughly ruthless in dealing with the "boiler-shop" type of security salesman. As a result of an aggressive campaign, and aided by a smooth-working and efficient staff, the Commissioner "put so many pistols" to so many heads, that the unscrupulous promoters left the province, literally in dozens.

At one time, it is safe to say, no city in the world was freer from the undesirable type of promoter than was Toronto. The Financial Post gave due credit to Mr. Godfrey and his staff for this work.

Today, what is the picture?

In a recent issue The Post gave examples of some of the high-pressure selling being conducted from Toronto. Since the guilty parties were operating under a license, and were not, technically, evading the law, The Post could not legally give names. The fact that the mining boom has continued, has made the public still avid for quick profits, and an easy prey for the stock salesman.

The Post has no hesitation in saying that conditions in downtown Toronto and in other Ontario cities today are as bad, if not worse, than three years ago. They are certainly worse in so far as the public has been led to believe that its interests are being zealously guarded from Queen's Park. What has caused the changed attitude at Queen's Park?

How can one say that their interests are being guarded when today men with an international reputation as crooks, some with prison records, are being allowed, under other names, to peddle worthless mining stocks on a profit-hungry public?

* * * *

The Front Man

This is, perhaps, the most pernicious of all the factors making for an unhealthy market situation. The "front man" as he is called, has his name on many a door. Inside the door, the money and "brains" of the organization is, in many cases, some man who is notorious, so notorious that he dare not let his presence in Toronto be publicly known.

The presence of these men in Toronto must be known to the Ontario Securities Commissioner. In fact The Financial Post is confident that the Security branch does know of their operations.

If Mr. Godfrey has not the authority to kick them out of the country, he has the authority to cancel the license of the "front man."

Why is it not done?

The Financial Post's editors have put this question to the commission, and have been told that if names are furnished, action will follow.

Names have been furnished. In only a few cases has action followed.

* * * *

Must Clean House

The Government of Ontario has indicated that it is fully aware of the importance of mining to the provincial and national scheme of things.

Surely it is obvious that the greatest boon the Government can bestow on this vital industry is to aid in the work of cleaning house. If it is necessary to start the housecleaning at Queen's Park, let it be done.

There are honest mining promoters, plenty of them, all we need to raise the money needed for mining development. During the first all too short months of Mr. Godfrey's tenure of office, it was amply demonstrated that Canadian mining does not need, cannot absorb, capital obtained by fleecing the public. In such cases, in any event, little of the capital finds its way into the Canadian north.

Only if vigorous action is taken to clean up the really serious situation in Ontario and other provinces, will mining take its rightful place as one of Canada's great industries, will honest promoters, ethical brokers and decent operators get their fair chance.

M. & O. Paper Bond Offering Now Planned

Committee May Try to Lift Receivership — Plan Reorganization

Flotation of a new prior lien bond issue of Minnesota & Ontario Paper Co. is planned as an initial step to provide working capital to take the company out of receivership and as a preliminary to capital reorganization, The Financial Post understands. Any reorganization proposals are expected to come from the bondholders' committee.

Present first mortgage bonds of M. & O. were strong this week, rising well above 60, on expectations that the receivership may be terminated in a short time.

The company had working capital of $3.8 millions at Sept. 13, 1936, compared with $3.6 millions at the close of 1935, excluding National Pole & Treating Co., the major associate company.

M. & O. has 6% first mortgage bonds outstanding of $24.4 millions and $3.5 millions of 6% gold notes. The company went into receivership Feb. 28, 1931, and defaulted March 1, 1931. Earnings have now recovered to a level sufficient to allow gradual increase of working capital, but remain far below the full amount necessary to cover interest, depreciation and other charges. In the period Jan. 5 to Sept. 13, 1936, net income before depreciation amounted to 37.2% of required interest charges. Bond interest is not being paid.

The trustees under the receivership have reported increasing business in most branches of the company's activities, but it is believed that earnings could be improved by termination of the receivership. The latest official report from the bondholders' committee was that little progress had been made toward reorganization of the company. Improvement in the price of newsprint was suggested as a requirement.

National Life Cancels Dividend

No dividends will be paid to shareholders of the National Life Assurance Co. during 1937, The Financial Post is informed. Just when the dividend will be resumed is problematical.

One of the first acts of the new owners of the company was to withhold payment of the regular dividend payable Jan. 1. The dividend has been paid regularly since 1906. Since 1921 it has been at the rate of 10% per annum on the paid-up capital of the company. In 1923 and from 1929 to 1931 a bonus was paid in addition to the regular 10% payment.

Decision of the new owners of the company to cancel the shareholders' dividend is in line with general plans to overhaul all departments of the company and effect important savings wherever possible. This one item will save $25,000 and in addition it is understood further savings of something like $50,000 annually are contemplated for 1937.

Payment of the dividend to shareholders was one of the matters which came in for discussion during the summer when correspondence between G. D. Finlayson, federal superintendent of insurance and A. H. Beaton, former president of the company was made public in the insurance blue book.

Quebec Insurance Office To Stay Says Duplessis

The Quebec Insurance department will be maintained and any attempt to indirectly infringe on the autonomy of Quebec will be fought, according to Premier Maurice Duplessis in a statement made this week.

Mr. Duplessis made the statement in answer to rumors that the Quebec department would be abolished following the death of B. A. Dugal, superintendent of insurance.

Third Party For Quebec Is Foreseen

Hamel and Gregoire May Lead Insurgent Group

MORE NATIONALISTIC

From Our Own Correspondent

MONTREAL.—All is outwardly quiet on the Quebec political front, but in well-informed quarters it is reported that before or shortly after the new session of the provincial legislature convenes, Phillipe Hamel and Mayor J. E. Gregoire will break away from Premier Duplessis' National Union party to lead an insurgent group.

Hamel represents Quebec Centre and Gregoire, Montmagny. Both live in Quebec City.

Hamel and Gregoire did their share in bringing about downfall of remnants of the Taschereau party under the leadership of Adelard Godbout. They expected, and so did a large section of the public, that Duplessis out of gratitude for their help would take them into the cabinet. The Premier had other ideas and though attempts were made to ease over the situation, it is well known that Hamel and Gregoire are not overly pleased with their treatment.

Hold Strong Views

Both Hamel and Gregoire have been particularly active in campaigning against the "power trust," English capital, and have strong leanings toward the province's alleged Fascist group agitating for a Quebec for French Canadians. Their views go far beyond those subscribed to by Duplessis and his followers. The Premier favors a number of corrective measures for the Provincial Government, but believes in carrying them out on a sound and businesslike way. His "conservativeness" does not please Hamel, Gregoire and certain other members of the party who want to adopt radical policies with a view to breaking down the "power trust" and giving the French Canadians a more favored position in the economic life of the province.

Duplessis will probably reach the same objective, but his failure to take Hamel and Gregoire into the cabinet, or even to adopt some of the reforms advocated by them, has caused a cleavage within the National Union party.

The development of a more intensive French Canadian nationalism in Quebec is not only favored by Hamel and Gregoire, but by other members of the new legislature. It is currently believed these two will set up a third party, which will have the support of from 12 to 15 members.

The withdrawal of this group would not affect Duplessis' control of the Government; in fact, it might be welcomed as giving Duplessis a compact following with views kindred to his own.

Plenty of Tinder

Over the past year or two there has been a growth of anti-Semitism, French Canadian nationalism and a large number of youth organizations to fight the spread of Communism.

All these are factors which have possibilities for the growth of a new party in Quebec province. It may be that Hamel and Gregoire see an opportunity in these movements to lead a third party which may at a later date be swept into power on either one or all of three cries—Nationalism, anti-Semitism and anti-Communism.

Just now the French Canadian movement is more vociferous than an actual force. The French-speaking residents of the province are at heart a conservative people and will adhere to tradition, politically and otherwise, if the economic unrest does not grow more extended.

For the time being it should be recognized that under leadership, such as Hamel and Gregoire might provide, the incipient Fascist movement may develop into a strong political group. All that is required to make it an active entity is for Hamel and Gregoire and a dozen or so members to secede from the National Union party. These two, with their flair for political oratory and ability to crusade, might be able to gather around sufficient support to make them a force in provincial affairs.

With a return of prosperous conditions within the province, however, the insurgents within the Duplessis party may adopt a more moderate view, while the new "movements" founded in times of economic stress or changing political thought may pass out of the picture.

Freight Loadings Continue Strong

Carloadings of revenue freight finished the old year at a level 19% above corresponding figures for 1935. Cumulative loadings for the year were 5.2% greater, as disclosed on page 7.

Summary totals of the week's business figures follow:

		—Change—	
		From prev. period	From prev. year
Monthly:	November	%	%
Motor Financing:			
New vehicles	$1,448,743	—4	+16
Used vehicles ...	$1,302,562	—23	+24
Coal imports, tons..	1,598,094	—1	+17
Cons. contracts ..	*$6,118,800	—56	+40
*December.			
Weekly:			
Car loadings, No. ..	35,142	—25	+19
Cattle sales, No. ...	7,847	+43	—29
Hog sales, No.	17,002	—12	+45

MEN'S SHOP

DERBY HATS
by SCOTT
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Net profit of $211,129 in the fiscal year ended December 31, 1936, was the third consecutive annual increase in earnings of Central Canada Loan and Savings Co., compared with $204,863 in 1935 and $202,281 in 1934. Profit and loss balance carried forward at $159,854 was slightly above the $148,724 in 1935.

Chief change in the balance sheet is a reduction in mortgages and interest while liquid assets show little change.

Earnings Record

Year	Paid-up capital & reserves $	Net profits $	Div. rate $	Rate earned per sh. $
1932	4,600,000	264,937	10½	10.60
1933	4,600,000	202,463	8	8.10
1934	4,600,000	202,281	8	8.09
1935	4,600,000	204,863	8	8.19
1936	4,600,000	211,129	8	8.44

Assets

	1936 $	1935 $
Liquid assets	4,481,471	4,484,473
Mortgages & interest	86,165	111,173
Other net assets	152,575	153,078

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Our January Investment Review
contains suggestions for sound investment and capital appreciation during 1937.
A copy will be furnished upon request.

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The Nation's Business

(Continued from page 1)

available, that the privately-owned C.P.R. is more efficient than its rival and more successful in maintaining economies.

Letting prosperity create more traffic, and letting the C.N.R.'s own experienced officers run the system have been the major points in the railway policy of the present Government. But something more drastic is going to be needed to end our railway deficits, especially if an increase of $10.3 millions in revenue from traffic reduces the deficit by only $81,000.

• • •

Rail and Road Competition

THE year-end surveys of railway operations in Canada, issued by Sir Edward Beatty and S. J. Hungerford, have more to say about continued competition from other forms of transportation than about co-operative measures between the two railways.

The president of the Government-owned system says that until such time as the competitive situation receives some adequate form of treatment by governmental authorities to place competition between the railways and rival forms of transport on an even footing, railways must continue to bear an undue burden from uneconomic competition.

Sir Edward does not go so far but points out that between 1913 and 1935 the number of passengers carried on Canadian railways declined 50%, while the volume of freight traffic was off 35% in the same period. Growth in the use of the motor vehicle, in private and public service, is the reason for this unfavorable trend, rather than a decline in available traffic.

• • •

THE demand of railways for reasonable and more equitable taxation of competitive forms of transport is not unreasonable. But a fundamental which they appear to admit but grudgingly, is that motor vehicles are here to stay. Their use has expanded to the detriment of the railways because they provide a type of service which the railways are not able to meet in full. It is time to recognize this limitation of steel rails, while still admitting the railway's absolute necessity, in modern transportation.

The railways should themselves be more forward in articulating rail operations with road transport. If they were to carry out the Duff report and economize through joint co-operation, they would have more money with which to rebuild their systems accordingly.

The railway problem will not be solved or even greatly ameliorated by ham-stringing another branch of transportation by restrictive regulations other than those that are in the broad public interest.

• • •

Checking Up on Private Trustees

A GOOD many lawyers have got into serious difficulties through mismanagement of clients' funds during these depression years. In some cases there has been injudicious speculation while in other cases clients' money has been "borrowed" to meet margin calls or other financial embarrassments of lawyers.

The Benchers of the Law Society of Upper Canada have taken steps to provide for segregation of clients' funds by lawyers in Ontario. Provision is made for investigation of cases of alleged misuse of funds and for discipline of members contravening the rules.

The reform is long overdue. Too many private individuals, including widows and elderly people, have been robbed, not by deliberate intent, but by the improvidence of their solicitors. A number of lawyers have gone to the penitentiary but this has neither restored the moneys lost nor saved their own careers from destruction. And for every lawyer who lost out in his desperate efforts to recoup his losses there have been others who were saved by some happy turn in the stock or bond market.

• • •

THERE is a tendency away from private trusteeships and toward the trust companies for the handling of estates and other trust funds. This is inevitable in the progress that is being made today toward higher standards of efficient trusteeship. But there are communities not immediately served by experienced corporate trustees and in these lawyers and other private trustees will continue to carry heavy responsibilities. It is in their interest as well as that of their clients that they should be bound by stricter rules. The new rules of the law society may not go far enough. There may still be need for periodical investigation of all private trust funds by the same department that now inspects provincially incorporated trust companies.

• • •

Same Old Nonsense About Holding Wheat

THE report of the Canadian Wheat Board shows that the Government lost $11 millions on its marketing operations in the year to July 31 last. It is hard to figure what the final loss will be but it does not seem likely that the present wheat board can make enough money to cover the losses on the speculative "stabilization" operations of the McFarland régime.

The point is of importance because on each of the three occasions that wheat has made a fairly sustained upward move there has come a wail from that small class of western papers which supported the McFarland-Bennett holding policy. "If we had only held our surplus and sold it at these high prices . . . ," they lament. These commentators would rather have a paper profit than the cash that has actually been received for wheat.

• • •

A NEW high in absurdity has been reached by the Regina Star with its latest bubble profit calculation. It argues:

> "The majority of farmers who sold out in October to square up with the grocery man and pay harvesting costs counted themselves lucky to clear from 75 to 80 cents a bushel on delivery to the elevator, although most of them were certain wheat prices would go up. Some got less than 75 cents clear for their grain. At Friday's prices they would have cleared about $1.12 a bushel. The difference of 25 to 35 cents a bushel would have been of tremendous value to the grower, especially in view of existing debt adjustment facilities now that a little cash can do a big job."

Invariably in such reckonings there is ignored the indisputable fact that much of the past year's advance has been due to the gradual liquidation of Canada's surplus, which during the previous five years had been hanging like a threatening cloud over world markets. Now that that cloud has been largely dissipated the natural flow of Canadian wheat to market has been restored and at prices based on current production and not on abnormal and uncertain accumulations.

• • •

IT SHOWS no appreciation of world wheat facts to assume that Canada could have continued to hold a large share of its wheat crop and then have dumped it all on the market at present prices.

The price system does not work that way for wheat or for any other commodity.

The beginning of Canada's wheat problem was our policy of holding a gun at the heads of our customers. The problem began to evaporate only when we began to sell wheat at market prices.

Yet foolish counsellors continue to tell the western farmer that he can name his own price for wheat and can make the world come and buy it from him at that price.

PROMOTED

W. H. Plant, general auditor, Canadian Pacific Express Company, since 1913, who has been appointed comptroller of the company according to an announcement by T. E. McDonnell, president and general manager.

Mr. Plant joined the Dominion Express Company, now the Canadian Pacific Express Company, in 1895.

Ontario Sells $20 Millions Serial Bonds

Quick over-subscription for the province of Ontario loan of $20 millions of 2½% and 3% serial debentures is expected.

Sale of the issue to a syndicate composed of Wood, Gundy & Co., Dominion Securities Corp., A. E. Ames & Co., Royal Bank of Canada and the Canadian Bank of Commerce follows quickly upon the success of the $20 millions issue of 3% bonds sold last month.

Proceeds of the issue will be used to retire $20 millions of 4% bonds maturing on Jan. 16.

The debentures mature serially 1943 to 1962, the first five maturities bearing a 2½% maturity and the remainder 3%.

The sale is interpreted by the Government as "establishing a new low cost for this type of financing in Canada." The 2½% maturities were sold at 98.65, which gives a cost basis of 2.7%. The 3% maturities were sold at 98.52, which gives a cost basis of about 3.1%. This compares with a price of 98.51 or a cost of 3.125% for the $20 millions of 15-year bonds sold in December. Offering terms of the serial debentures give yields of 2.6% to 3.04%.

Improvement in the financial position of the province has been an important factor in its ability to borrow at a low rate. Gross revenue of the province for the first eight months of the current fiscal year showed an increase of $12.1 millions over the corresponding period of 1935. Ordinary expenditures, including relief and sinking fund payments, declined $3.4 millions, so that the net improvement was $15.5 millions.

Windsor Bondholders File Legal Objection

Reject Revisions Made by Ontario Municipal Board

FINANCES IMPROVE

Windsor bondholders have rejected the refinancing plan for that city as revised by the Ontario Municipal Board, legal objection to the plan having been filed by the bondholders' protective committee on behalf of more than one-third of the outstanding bonds.

Contending that the plan submitted to the board was a fair one and represented less than the ability of the city to meet its financial obligations, the bondholders' protective committee, after due consideration, decided that they were unable to accept such drastic revisions as had been proposed by the Municipal Board.

In effect this means that there is little probability of a refunding programme being carried out in the near future for the four merged municipalities making up the city of Windsor. The action of the Municipal Board in revising the plan has destroyed much of the work of the bondholders and the fiscal agents during the past two years. It will now be necessary to start anew.

Can Negotiate With City

The most feasible course now lies in negotiations between bondholders and the city of Windsor. If some agreement can be reached then it is possible that the Municipal Board will reconsider its decision. In this connection, Eric Cross, chairman of the Municipal Board, informed The Financial Post that bondholders had the right to withdraw their objection.

In some quarters it has been suggested that the Ontario Government may bring in legislation at its next session in an attempt to force the decision of the Municipal Board upon the bondholders. In such an event, the bondholders are prepared to take the matter to the courts and carry it to the privy council if necessary.

Finances Improve

In support of their contention that the plan submitted to the Municipal Board represents less than the city's ability to pay the proposed debt charges, representatives of bondholders point to the improvement in the city's position in 1936, an improvement which was not taken into account when the plan was drawn up.

Total revenue of the city in 1936 is estimated at $5.1 millions while expenses, including interest and sinking fund charges as provided in the plan prepared by the fiscal agents, amounted to only $4.7 millions. Thus, there is a surplus over and above all expenses of over $400,000.

Details are tabulated below:

Income

	$
Current taxes	3,400,000
Tax arrears	1,027,300
Windsor Utilities Com.	453,600
Housing Commission	78,800
Miscellaneous revenue	200,000
	5,159,700

Expenditures

Budget (including supplementary welfare levy)	3,525,000
Interest on debt	1,060,000
Sinking fund	145,800
	4,730,800

Dom. Foundries Output Up 25%

Dominion Foundries and Steel production advanced 25% in 1936, according to a letter to customers from F. A. Sherman, vice-president and general manager. As a result, it is intimated that capacity of open hearth and plate mill will shortly be stepped up 50%.

Early in 1937, the new tin plate mill of the company is expected to be producing 100 tons of cold reduced tin plate daily.

Maritime Electric Co. Reports Higher Earnings

From Our Own Correspondent

MONTREAL.—Maritime Electric Co.'s net earnings before deduction of interest charges, depreciation and income tax, for the 11 months ended Nov. 30, 1936, were $126,506, or at the annual rate of $138,000. Average annual net earnings for the three years ended Dec. 31, 1935, amounted to $126,393.

Press Ottawa On Debt Issue

(Continued from page 1)

it did so, an expensive blow would be struck at federal credit.

Efforts at Compromise

Last spring, after abortive efforts at reaching a compromise, this policy was thrown overboard when Alberta was permitted to default. There were no very serious or lasting effects on Dominion credit, and the idea that the Dominion is responsible for the credit structure of a province has been dispelled. Ottawa can now deal with the situation by choice, not necessity. At the same time there is a real difference, it is felt here, between a situation in which one ninth of the provinces of Canada are in default, and that in which one third — or three of them—might be.

The Minister of Finance is not one of those who feels that the Prairie Provinces should be allowed to go their own way, regardless of consequences, nor does he believe that default or arbitrary interest reductions by these provinces would be without effect on the fabric of Dominion credit. The western provinces thus have an ally in Mr. Dunning. If, as appears likely, this first alternative will not be adopted, it suggests that one of the others must be.

The Dominion Government has reached the point where it is ready to discuss the pros and cons of increased provincial subsidies on a temporary basis. There are fairly good precedents. The Duncan commission recommended higher subsidies for the Maritimes, and subsequently these were put on a permanent basis by the White enquiry. During Mr. Bennett's régime a temporary increase in the subsidy for British Columbia of $750,000 a year was granted, and the matter is still on that footing.

Lack of Time Limit

However, one obstacle to the granting of a temporary additional subsidy to the Prairie Provinces is the lack of a time limit of any sort so far suggested for the payment of such a temporary measure. The Financial Post explained, several weeks ago, the willingness of the Dominion Government to appoint a royal commission of outstanding authorities to review the whole basis of Confederation so far as taxing powers and social obligations were concerned. It is now learned that should such a commission be appointed, or agreed to by the provinces, there would be a disposition to agree to a raising of the subsidies of the three Prairie Provinces until such commission had made its recommendations

It is realized here that the three Prairie Provinces must be treated as a unit. Any endeavor to come to the aid of Saskatchewan and Manitoba without doing as much for Alberta would raise a cry of discrimination, and it would be said that Ottawa was acting to save the skins of the bondholders. The Dominion Government is frankly not very keen about pouring money into Alberta until it has some assurance that the money will be used to improve the position of the citizens of the province rather than be dissipated in some fantastic scheme.

Old Age Pensions

The stumbling block to 100% payment of old age pensions has, it is submitted, been the constitutional one that, with the present reading of the B.N.A. Act, the Dominion would have to hand over the money without retaining any control over its expenditure. This, it is argued, violates a fundamental law of democratic government. The financial consideration is a less formidable one, and indeed, the Federal Government has been told that if it were given complete and undivided control of the act, it could save almost as much, by elimination of abuses, as the additional 25% payment.

It is unlikely that the B.N.A. Act would be amended to provide for a federal old age pension act without dealing at the same time with the whole broad matter of social legislation, including unemployment and health insurance. This gives point to the forecast that the Government will again seek to secure by a petition of both houses an amendment to the constitution on this point in the coming session.

Sponsored Debt Refinancing

As for the fourth method of aiding the West—sponsoring a debt refunding programme — discussions are continuing on this. Official Ottawa is divided on the proposal. It is believed that the Bank of Canada, as financial advisers to the Government, are favorable to some such plan. Some Governmental officials, however, despair of being able to work out a practical proposal. Mr. Dunning's sponsorship a year ago of a Loan Council plan suggests that he would not be unwilling to support a suitable plan, but, having been rebuffed in his proposal by both the Senate and Mr. Aberhart, he will undoubtedly move warily in drawing up a new plan.

Discussions, it is known, have taken place of a proposal to guarantee the interest only of Western provincial debts for a limited term of years, the bondholders to be offered new bonds bearing a lower coupon rate. They would also be given the alternative of accepting cash. There are those who regard such a plan as impracticable on the ground that there is no assurance that new bonds could be sold to provide the necessary cash for those who would not accept the lower coupon rate.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Vernon, B.C.	Dec.	Locally	4%	20-yr.	$25,000	100	4%
Dominion—							
Canada Treasury Bills	Jan.			Apr. 1937	$25,000,000	99.814	.746%
Provincial—							
Ontario	Jan.	Wood, Gundy & Co., Dominion Securities, A. E. Ames & Co.	2½%	1943-47	20,000,000	....	....
			3%	1948-62			

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Toronto Elevators	Jan.	Dominion Securities	5¼%	Pref.	$1,500,000	100	5¼%

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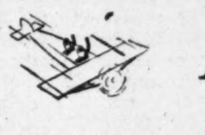

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Cream flannel slacks, from $5 to 12.50.
Cream flannel shorts at 4.50, white drill at 2.25.
3-piece tropical worsted suits, in light grey, fawn or brown, at $25.
Imported French dressing gowns in pastel two-tone stripes, at 13.50.
Various tropical worsted or white serge suits tailored-to-order, at 32.50, 37.50 and 42.50.
Gabardine or white serge sport slacks tailored-to-order, from 7.50 to $15.
Cream, grey or fawn fancy corded slacks tailored-to-order, from $10 to $15.
English flannel or tweed sport jackets tailored-to-order, 22.50 and $25.

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Operations of Soo Line C.P.R. Dividend Factor

Further Financial Aid Likely To Be Necessary This Year — Appropriations To Meet Investment Loss

From Our Own Correspondent

MONTREAL.—Decision to resume dividend payments on the preference and ordinary shares of the Canadian Pacific Railway over the next two years will hinge, in part, upon the degree to which the company has to extend further financial assistance to the Minneapolis, St. Paul, and Sault Ste. Marie Railway, commonly known as the Soo Line.

Since 1888 the Soo Line has been controlled by the C.P.R., which, at the end of last year, held over half of the American company's issued common and preferred stocks, nearly $4 millions of first consolidated mortgage bonds and $240,000 of equipment trust notes.

At one time or another the C.P.R. has guaranteed interest or principal on the greater part of the Soo Line's funded debt. This obligation now extends to guaranteeing interest on over $56 millions of 4% bonds due July 1, 1938; $8.1 millions of 5% bonds, maturing Jan. 1, 1949; $24.6 millions of first refunding mortgage bonds, of which $12.5 millions were pledged as collateral for $10 millions notes; and guarantee of principal and interest on $575,000 of notes to Railroad Credit Corp.

The amount of interest which the C.P.R. guarantees on Soo Line obligations totals $4,174,650 per annum until 1938, when guarantees of interest amounting to $2,681,320 per annum may expire.

Large Advances Made

Unfortunately the Soo Line has experienced a number of bad years. Net income has been insufficient to take care of obligations and the Canadian Pacific has been called upon to make good its guarantee of interest. From 1931 to 1935 the following advances were made:

1931	$1,400,000
1932	nil
1933 (net)	4,577,285
1934	4,895,083
1935	4,910,000

Further Demands Likely

It now appears that the Canadian Pacific will have to make additional advances on 1936 operations. To the end of November the Soo Line reported a slight advance in gross revenues, but after paying all charges, including interest, there was a net deficit of $5,052,784, as against $4,681,343 for the corresponding period of 1935. There is no means of knowing just how much will be advanced by the C.P.R., but it will not be less than $4.2 millions.

It is possible for the Soo to fully earn its bond interest over the next 18 months, but it is unlikely unless the pick-up is greater than now expected. Consequently the C.P.R. is likely to have to put up several million dollars additional for the Soo Line's interest payments.

Another factor which may have a bearing upon C.P.R. dividend prospects has to do with the $56.8 millions of first consolidated mortgage bonds which mature July 1, 1938.

The Soo Line is likely to find it difficult to meet this maturity. Assistance from U. S. governmental sources is possible, but failing that it may be out of the question, considering the record of the company in recent years, to refund the issue through a public offering.

Points at Issue

Two points of importance stand out at this time:

1. Does the C.P.R. guarantee of interest continue until such time as the principal is redeemed?

There are many bondholders who believe that this is the case. On the other hand, Sir Edward Beatty states that the guarantee lapses with the maturity date of the bonds, namely, July 1, 1938. This would mean the lifting of a contingent liability of nearly $2.7 millions per annum.

2. If the Soo Line is unable to redeem these bonds will the C.P.R. be willing to continue the interest guarantee if the maturity date is extended in order to protect its stake in the property?

Meanwhile, the C.P.R. is taking steps to set up adequate reserves against possible losses in connection with its investment in the Soo and other American Lines.

At the end of last year the C.P.R. controlled four principal American railways. The par value of securities held in these roads, together with those of two subsidiaries, was $59.1 millions, which cost the company $33.1 millions.

The Aroostook Valley Railroad, one of the companies controlled, is in good financial condition and has been meeting its interest obligations regularly. During the past two years its net earnings have been sufficient to pay dividends.

Importance Has Lessened

The Soo Line connects with the C. P. system at Sault Ste. Marie, Ont., Emerson, Man., and North Portal, Sask. While the importance of this line in relation to the C.P.R.'s operations has diminished considerably during the last 20 years, there still remains a considerable interchange of motor fuel, paper, lumber and machinery. It is also valuable in the movement of high-class tourist traffic between Eastern and Central United States and the Rockies and Pacific Coast.

While the C.P.R. has no direct obligations in respect to the two other controlled lines—Spokane International Railway and Duluth, South Shore and Atlantic Railway—conditions surrounding these two companies are not very happy. Spokane International is being operated by a trustee and faces a reorganization. Duluth, South Shore and Atlantic is not meeting bond interest in full, but earnings are improving. However it faces the obligation of redeeming $5.4 millions of bonds this year and it may be necessary to carry out a reorganization to simplify the capital structure.

Setting Up Reserve

Having regard to all the circumstances concerning these companies, steps have been taken by the C.P.R. to set up a reserve for the future writing down of the company's investment. In each of the last four years $4 millions has been appropriated for the reserve, making $16 millions to date. A further appropriation is likely from the 1936 accounts.

The amount to be written off against this reserve is indeterminate, but at the May meeting of shareholders Sir Edward Beatty said that the deductions "will largely consist of adjustments in the costs of the equity stocks acquired prior to the time when the first of these appropriations was made." Further, he said, "your directors have felt that the necessity for making further advances to the Soo Line cannot be ignored in determining dividend policy."

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While the north lies snow-enshrouded, South African visitors watch the genial summer sun touch with fire the lofty peaks of the Drakensberg, or there explore the myriad caves where lie the picturesque drawings of the vanished bushmen. For them, anew, the age-old enigma of the Zimbabwe Ruins challenges the imagination. For them await the thrills of the Kruger National Park, where one may drive over smooth roads and see, at close range, all forms of African wild life, untamed and unafraid.

These are but a few of the unusual sights which offer, in South Africa, contrast to the pleasures of fine hotels, bathing beaches and the most up-to-date travel facilities. Truly a different, worth-while holiday!

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THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

Investment Analysis

Western Natural Gas

Company Has Improved Its Position During the Depression — Sales at Record Level

If and when economic recovery in Alberta develops to the same extent as in Eastern Canada, earnings of Canadian Western Natural Gas, Light, Heat and Power Co. should show substantial improvement. From the long term point of view, however, the outlook for the company is dependent upon its ability to secure its gas requirements.

For the current year it is expected that continuance of the improvement reported last year will be reported. During the first six months of the year earnings were higher than in same period of 1935 as a result of the abnormally cold winter. This was offset to some extent by a reduction in sales during the exceedingly warm summer months. Indications are, however, that the final results for the year ended Dec. 31 will show slight improvement.

Like most companies, Canadian Western Natural Gas suffered a decline in earnings during the depression, but nevertheless has been able to pay both common and preferred dividends out of earnings. Comparative results have been as follows:

Canadian Western Natural Gas Results

	1935	1934	1933	1932	1931	1930
	$	$	$	$	$	$
Sale of gas	2,219,727	1,915,626	2,055,617	2,151,041	1,952,486	2,083,261
Add: Other income	47,045	47,997	29,802	64,277	64,742	115,788
Total income	2,266,772	1,963,623	2,085,419	2,215,318	2,017,228	2,199,049
Less: Cost of gas distrib. & adminis. expense	1,225,249	959,321	1,073,816	1,120,776	983,560	1,291,839
Net earnings	1,041,523	1,004,302	1,011,603	1,094,542	1,033,668	907,210
Less: Deb. interest	......	......	......	28,104	36,815	38,894
Int. on accum. amort. res.	87,674	79,866	......	......	......	......
Other interest	13,289	14,879	23,428	26,547	17,403	12,632
Deprec. & bad debts	43,100	42,386	38,487	44,618	41,967	27,446
Management fees	......	57,862	......	......	......	......
Miscellaneous	......	2,445	......	......	......	......
Amortization	120,395	119,273	197,716	217,827	229,918	228,794
Reserve for taxes, etc.	257,592	242,935	263,500	249,290	178,073	......
Net profits	519,473	444,656	488,473	528,156	529,492	599,444

The company produces and distributes natural gas for heating, lighting and power purposes to Calgary, Lethbridge and the towns of Granum, Claresholm, MacLeod, Nanton, Brooks, High River, Stavely, Foremost, Burdett, Cayley, Parkland, Taber, Okotoks and Black Diamond, all in Alberta. The total population served by the company is 108,000. It owns 20.5 miles of field pipe lines, 266 miles of main transmission lines, 48 miles of branch transmission lines and 289 miles of distributing mains in Calgary, Lethbridge and neighboring towns.

While earnings of the company declined the company actually improved its position during the depression, gas sales in 1935 reaching the highest level in the company's history. Revenue from gas sales also reached a peak figure. Comparative figures of gas sales and number of meters are shown below:

Comparative Operating Statistics

Year	Number of Meters	Gas sold in M. Cu. Ft.	Revenue from Gas Sales
1919	11,841	....	$1,046,397
1920	12,118	2,759,727	947,914
1921	12,361	2,276,469	780,674
1922	12,318	2,055,539	891,566
1923	12,566	1,965,575	876,443
1924	13,009	2,046,257	918,597
1925*	14,535	2,594,999	1,590,923
1926	15,609	2,986,730	1,220,493
1927	17,095	4,668,806	1,565,023
1928	19,065	5,102,775	1,651,374
1929	21,274	6,613,579	1,956,022
1930	23,083	6,966,778	2,083,261
1931	23,496	6,494,917	1,952,486
1932	23,415	7,029,831	2,151,041
1933	23,392	6,694,855	2,055,617
1934	23,416	6,294,040	1,928,745
1935	23,693	7,233,271	2,219,727

*Fifteen months period ended Dec. 31, 1925. Prior to 1925 years ended Sept. 30.

The company has secured a considerable amount of new business, the number of meters in operation increasing from 21,274 at the end of 1929 to 23,693 at the end of 1935. As business conditions in Alberta improve further increases in sales should be recorded.

Another favorable feature of the company's 1935 report was the improvement in its working capital position, an excess of current assets over current liabilities being reported for the first time since 1927. Working capital as at Dec. 31, 1935, amounted to $212,517, compared with a working capital deficit of $153,476 in the previous year.

The company has no funded debt, an issue of 5% first mortgage debenture stock having been redeemed in 1933. The outstanding capitalization of the company as at Dec. 1, 1935, consisted of 29,953 shares of 6% preference stock, par value $100, and 80,000 shares of common stock, par value $100.

Originally there were $35,000 preference shares outstanding, but $5,047 shares have been redeemed through the operation of the capital redemption fund. Dominion Gas and Electric Co., which in turn is controlled by International Utilities Corp., owns 94% of the common stock.

Substantial Yield

Dividends on the preference stock have been earned and paid regularly. Despite this fact the stock is currently quoted on the unlisted market at 85 bid, 88 asked. On the bid price this gives a yield of slightly over 7%.

An even higher yield is obtainable on the common stock which is quoted at 23 bid. On the basis of the $3 paid in dividends in both 1935 and 1936 the yield is about 13%.

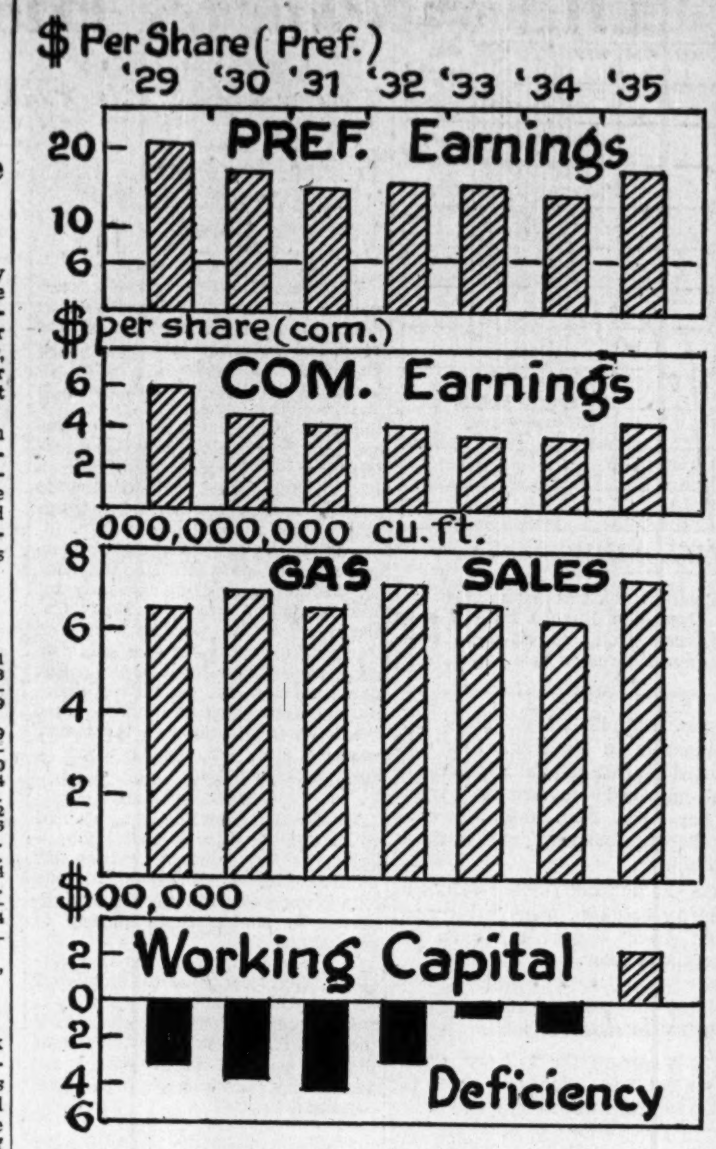
There are several factors contributing to the low price of the company's stock. First, the stock is unlisted and the market rather inactive. This has the effect of limiting the investment interest. In the second place, there is considerable hesitancy among investors as to making commitments in investments in Alberta because of legislation passed by the Aberhart Government.

Gas Supplies

Another important factor is uncertainty as regards future gas supplies, although it controls practically all the known gas reserves within transportable distance of its market. At the present time the company secures all its gas requirements from the Turner Valley field, purchasing from the Royalite Oil Co. Because of the enormous wastage of gas in the Turner Valley, however, this field cannot be looked to indefinitely for the maintenance of the company's undertakings. The company consequently is developing new sources and conserving old sources of supply as far as lies within its power. In 1935 there were 77 billion cu. ft. of gas. wasted in the Turner Valley. The rock pressure dropped from 973 lb. to 879 lb. In the south end of the valley there was a drop in pressure of 288 lb.

In order to conserve its resources and build up a reserve the company has been repressuring the Bow Island field, where it formerly operated wells, but which has been closed since 1930. As at Dec. 31, 1935, the structure of this field had been recharged with 7,9 billion cu. ft. of gas, the addition during 1935 being 1½ billion cu. ft. This process is continuing. The rock pressure of the field has been raised from 248 lb. in August, 1930, to 496 lb. in August, 1935. The company also owns acreage in the Barnwell and Foremost fields, both of which have been closed since 1930.

Persons well acquainted with the situation feel that there will be no serious shortage of gas for many years, but that conservation is advisable.



CANADIAN WESTERN NATURAL GAS CO.

Depicted in graphic form above are per share earnings, gas sales and working capital position of Canadian Western Natural Gas Co., subsidiary of Dominion Gas and Electric Co. Gas sales in 1935 reached an all time peak and as a result there was a marked improvement in the company's earnings and in working capital. It is understood that this improvement continued into 1936.

C.N. Progress More Marked

Revenues Up $36 Millions from Depression Low in 1933

From Our Own Correspondent

MONTREAL.—Gross revenues of the Canadian National Railways have increased nearly $36 millions from the low point of the depression in 1933, according to S. J. Hungerford, chairman and president.

Last year the Government-owned system had a gross revenue of $184.5 millions. This compares with $173.2 millions in 1935 and with $148.5 millions in 1933.

Judged by the increase in railway traffic, Mr. Hungerford says it would appear that a large measure of recovery has taken place in general manufacturing and trade. Of particular note he goes on to say, is the extensive development in mining and territories contiguous to the Canadian National Railways, particularly in Northern Ontario and Quebec.

Operating Difficulties in 1936

From an operating standpoint 1936 listed continued improvement in operations and profits, indicative of the ability of the railway to carry increased traffic economically. The year however, was marked with extreme difficulties, due to severe winter conditions and flood damage. The latter was altogether exceptional. Many miles of line in British Columbia were out of service for a considerable period and required extensive rehabilitation, while in Eastern Canada the most serious damage was the loss of the Fredericton bridge over the Saint John River.

In surveying competition from other modes of transportation, Mr. Hungerford says it is becoming increasingly evident that until such time as the competitive situation receives some adequate form of treatment by governmental authorities to place competition on an even footing, railways must continue to bear an undue burden from uneconomic competition. The benefits to the few are more than offset by the economic waste which is borne by the community at large, he said, and it is a situation which the railways alone cannot hope to solve and is one which urgently calls for attention.

Steamship Line Improves

The improvement recorded by the railway since 1933 is also noted in operations of Canadian National (West Indies) Steamships Ltd. Last year the steamships had a gross revenue of $4.3 millions, compared with $3.8 millions in 1935 and $2.9 millions in 1933.

This growth in business, says Mr. Hungerford, represents a real advance in mutual trade relationships.

Dominion Rubber Defers Redemption

From Our Own Correspondent

MONTREAL. — Faced with the contingent liability of having to redeem its bonds in gold, Dominion Rubber Co. has postponed redemption of the outstanding 6% gold bonds, due Oct. 1, 1946.

At the same time the company announces it will purchase any and all of its 6% bonds offered between Feb. 1 and April 1, 1937, and will pay the Canadian dollar face value of the bonds so offered, plus a premium of 10% and accrued interest to April 1, 1937.

Possible Liability Seen

The change in the announced policy of redeeming the bonds is due to a recent judgment of the English courts with respect to a corporation's liability in connection with the gold clause in bonds. The directors deemed it advisable to await the decision of the higher courts.

It is expected enabling legislation will be passed at the next session of Dominion Parliament, in accordance with the recommendations of the provincial premiers, which will eliminate the gold clause from private contracts.

Extra $2.50 For Goodyear

$3.13 a Share on Common Jan. 15; Record Dates Differ

An extra dividend of $2.50 a share on the common stock has been declared by Goodyear Tire & Rubber Co. of Canada, in addition to the regular quarterly payment of 63 cents a share. Both payments, totalling $3.13 a share will be made Jan. 15, 1937, but the 63 cents will be paid to shareholders of record Dec. 31, 1936, and the $2.50 to holders of record Jan. 9, 1937.

The payments reflect improved business in 1936 and the strong liquid position. Earnings amounted to $4.12 a share on the common in 1935, compared with the regular annual dividend of $2.50 a share. The current extra payment will bring disbursements from 1935 earnings to $5 a share.

Sales of Goodyear Tire & Rubber Co. of Canada showed an increase in 1936, A. G. Partridge, president, states in a letter to the shareholders.

The company continues to hold a strong position in the Canadian rubber industry, not only in tires, but in all lines it manufactures, says Mr. Partridge. Increased sales in 1936 have allowed uniform production, he comments.

Earnings for 1936 are expected to be substantially in excess of the annual dividend rate of $2.50 a share on the common stock.

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IF we could answer that question as it applies to ourselves, estate problems would be few and simple.

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WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
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TORONTO

Inter. Bronze Powders Boosts Common Dividend

From Our Own Correspondent

MONTREAL. — International Bronze Powders has declared a quarterly dividend of 37½ cents a share on its common stock. This contrasts with a quarterly payment of 25 cents a share, which was initiated July 15, 1935.

The current declaration brings the dividend rate on the common stock up to $1.50 a share annually. This is of importance, as any further increase in the distribution of earnings to the common shareholders means a similar distribution to the preferred stock, which shares equally with the common in any dividend over $1.50 a share.

An Inside Story of the Drama of the Throne

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Member of the British House of Commons, former editor of the London Daily Express, and writer of Maclean's eagerly read London Letter, Beverley Baxter throws new light on the tragedy of that great prince and unhappy king, Edward of England.

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Investment Trends

Stock Markets Viewed As Subject to Testing

Market Analysts Regard Dullness on Recessions as Encouraging Sign — But New York Trend Remains Indeterminate

It is regarded as important by analysts of stock market movements that in periods of recession the volume of stocks traded has been small. This is taken to indicate that no great volume of liquidation is in sight, although orderly declines from time to time are expected.

Recurrent strikes and threats of strikes in United States labor are regarded as indicative of improved industrial conditions rather than demonstrating adversities.

Security dealers who favor farm implement shares have high hopes for the coming year. Their views are that even with only average crops, improvement in farm prices should bring further recovery in implement sales, particularly because of the unprecedented depreciation of old equipment in the long agrarian depression. Massey-Harris, Beatty Brothers, Cockshutt Plow and similar issues are the favorites, but there are many other companies that should benefit, directly or indirectly, from further farm recovery.

Canadian students of the Dow theory of stock fluctuations in New York have observed recently that Canadian share market averages have not followed the trend indicated by the Dow-Jones averages of Wall Street prices. It has not been indicated definitely yet that the temporary trend of stocks is downward in New York, and in fact there are expectations of firm prices before there is a testing of support below present levels. In Canada, however, prices have been showing marked strength in contrast with comparative weakness in New York. This is taken as indication that the Dow theory cannot be followed consistently for comparatively short swings of prices on Canadian markets. On the other hand, for longer term price movements, it will be found that Canadian markets usually follow the New York trend rather closely.

High Levels

PRONOUNCED strength carried stock market averages upward in the closing days of 1936. The Montreal Stock Exchange average for industrials made a peak of 109.1 on the last day of the year, and at 162.7 the Toronto Stock Exchange average was within a fraction of the highest point for 1936. In New York the recovery was slightly less enthusiastic. The Dow-Jones industrial average was slightly below its high of 184.8 and the average for rail shares was about 10% below its peak.

Recent hesitation in New York is interpreted by market analysts to indicate that further testing of recent low points is probable within a few weeks. If this occurs, it may bring down the Canadian averages at least a few points. Meanwhile, January investment demand for seasoned common shares has been expanded by extra dividend payments. This investment demand for stocks does not preclude the possibility of irregularly lower prices some time in the first quarter of this year, but it does indicate a firm foundation for the higher price levels that have been attained over the past year.

One of the most striking indications of the strength underlying stock markets is that brokers' buying orders outnumber selling orders, which is the reverse of the situation that prevailed in 1929.

* * *

Profit Problem

A READER sends us an exceedingly long list of industrial shares which he holds at a 50% average profit. His concern is to retain this profit against what he describes as a rapidly approaching crash.

It does not seem probable that a major collapse is due in the stock market immediately, although intermittent periods of weakness are sure to occur. But the question will arise more seriously, as recovery progresses, for the investor in common stocks to prepare for the next depression.

Leading industrial shares are reflecting increased earnings and dividends. And since the limits of recovery have not yet been reached this improvement can continue for some time, in varying degrees, of course, for different companies and industries. Under these circumstances, the present hardly appears to be a good time to sell indiscriminately to prepare for another depression. A wiser course might be condensation of holdings, or only partial liquidation. Well-informed investment opinion is that it is too early for unqualified pessimism.

The 50% profit could now be consolidated with a small income by investment in short-term government bonds or loan or trust company certificates. This would turn the investor-partner in industrial common shares into a creditor receiving comparatively low income. Possibly the best time to do this will be when somewhat higher rates of interest are available on prime bonds, rather than at present. Partial liquidation of less promising share investments is being recommended by some advisers, however, to take advantage of better opportunities that may arise.

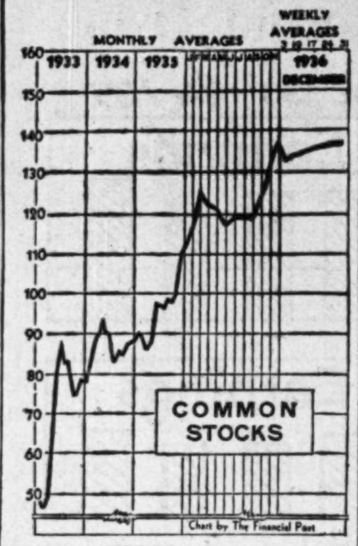
* * *

Trust Marketability

ONE of the most consistent criticisms of Canadian investment trust shares, even by those who can see merit in the investment trust idea, is that most of the issues are not readily marketable. Only a handful of investment trust shares are listed on the stock exchanges. There is a fairly active market for some issues, such as Canadian General Investments, among unlisted dealers.

Economic Investment Trust is one of the leading companies whose shares are listed but the market is inactive. This week, shares of Dominion and Anglo Investment Corp. were listed on the Toronto Stock Exhange. Public quotations on such shares are valuable even though immediate market activity is lacking. Another listing may be sought in the near future by Dominion-Scottish Investments which is increasing its common share capital. One of the chief requisites for ready marketability is a substantial number of shares. But listing on stock exchanges is an important first step toward revival of public interest in well-managed investment trusts which have been established as meritorious for many years in Great Britain.

On the basis of current values of security holdings, many investment trust shares appear to be on the bargain counter.



STILL FIRM

Common stock prices as measured by Dominion Bureau indices have remained strong, as shown by comparative figures on this page.

* * *

Heavy Industries

NEW orders for railway equipment and improving sales for farm implements are only two of the many illustrations of how demand for heavy capital goods can be expected to increase with returning prosperity.

The prolongation of depression has resulted in much greater wear and tear on existing equipment than would be allowed to occur under normal business conditions. As industries and individuals find it essential to renew, replace or enlarge existing facilities, the magnitude of the deferred demand may result in a boom in the heavy industries. And this magnitude of the potential demand should also lengthen the period of active business for heavy industries.

The investment implications are of vital importance. The consumer goods industries have already enjoyed a substantial measure of recovery. But producers of building materials, construction firms, machinery manufacturers and similar organizations have still been experiencing depressed conditions despite some improvement over the blackest years. The investor in shares in heavy industries is beginning to feel the influence of belated recovery, but there appears to be a lot of ground still to be regained. The important point is that the longer the recovery is delayed in these industries the greater the eventual recovery.

Dom.-Scottish Approves Deal

Shareholders Advised Not to Make Exchange For Bonds

Shareholders of Dominion-Scottish Investments Ltd. have approved the proposal to issue $750,000 of first collateral trust 15-year 4% bonds.

Approval has also been given to the arrangement whereby holders of units of one preference and one common share may exchange them for collateral trust bonds on the basis of $100 in bonds for every two preference shares. Unit holders making the exchange are obligated to sell to the Royal Trust Co. as depositary, a corresponding number of common shares at $1 each.

The offer to shareholders expires Jan. 20, and present indications are that the number of shares exchanged will not be large, The Financial Post is informed. Most of the original shareholders have indicated their intention of retaining their holdings and many are increasing their equity in the trust by taking up additional common stock at $1 a share on the basis of one common share for each preference share held. Unit holders taking advantage of the offer consist for the most part of investors who acquired their units at low depression levels.

Will Offer Balance

Immediately following the expiration of the offer to unit holders on Jan. 20 an offering of the balance of the $750,000 of bonds will be made by Cochran, Murray & Hay, Toronto investment firm.

Cochran, Murray & Hay, in a letter to unit holders, have advised against acceptance of the exchange offer unless there are particular reasons for acquiring the new debentures such as a higher degree of safety or a more marketable security.

At the same time unit holders are advised to take up the additional common shares offered at $1 a share. If, for any reason, a unit holder does not wish to retain these for his own account, Cochran, Murray & Hay will purchase them at $1.50 a share.

Auto Accident Losses Rise 10% in Ontario

Property damage arising from motor vehicle accidents in Ontario during the first nine months of 1936 amounted to $853,482, an increase of slightly more than 10% over the corresponding period of the previous year. Accidents during the period totalled 7,804, compared with 7,448 in 1935.

Complete figures on automobile fatalities in the full year 1936 are not yet available, but a preliminary estimate places the number at 530, a decrease of 30 from the previous year.

SELECTING SOUND INVESTMENTS

RECOVERY
gathers momentum...

Industry after industry has joined the upswing of recovery. First electric power and metal mining, then paper, steel, petroleum and a host of others have each given impetus to the movement. Finally, the construction industry is beginning to respond to the trend, lending its weight to the business recovery that is steadily gathering momentum.

Canada faces the future with confidence. Investors, realizing that the country as a whole is headed for even better things, are now planning to share in this future growth.

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Plan for Price Bros. Hinges on New Loan

Trustee, for Pacona, Asks for Payment on Gold Clause

From Our Own Correspondent

MONTREAL.—Breakdown of negotiations between Pacona Ltd., as holders of practically all of the bonds of bankrupt Price Bros. & Co., and the group interested in bringing about an internal reorganization of the company, hinges upon the gold clause, premium and power contract. Failure to arrive at a satisfactory settlement resulted in Pacona requesting the trustee to put the mortgaged assets and property up for judicial sale Feb. 3.

Publication of an exchange of correspondence between Hon. Gordon W. Scott, trustee-in-bankruptcy for the company, Montreal Trust Co., trustee for the bondholders, and Pacona Ltd., indicates that it is possible two of the three main points of contention can be settled amicably before the sale. The third point, having to do with the power contract, does not appear to be so easy of settlement.

$16 Millions Loan

Mr. Scott meanwhile has obtained court authority to borrow $16 millions for the company to pay off bond liabilities. Financing of the loan is understood to have been completed to enable the company to reorganize.

The loan will enable the receivership either to pay the old bonds off through the trustee or by purchase from Pacona. The main obstacle is the gold clause claim, but the legal dispute on this point would not necessarily preclude the plan of reorganization.

Sets Out Claims

Montreal Trust Co., in acting for bondholders, does so with the support of Pacona Ltd., which is controlled by Aluminium Ltd., Lehman Bros. and Saguenay Power Co. And it makes these demands:

The bonds are to be paid off in gold or its equivalent;

The company is to pay a premium of 7½% on the principal amount involved, as the bonds will be paid off before their maturity date;

The power contract will be renewed only on a basis that Price Bros. & Co. pay the generally prevailing rate for power, which in turn is appreciably higher than that paid under the old contract.

Can't Pay Gold

Hon. Gordon Scott, trustee-in-bankruptcy, informed the bondholders' trustee and Pacona Ltd., that the company is only obligated to pay a premium of 4½% on the bonds, but offers to deposit the larger sum, the matter to be settled by arbitration or a stated case before the court.

The company is prepared to pay the bondholders in lawful money of Canada, pointing out that it is impossible to obtain gold.

With respect to the power contract, the company denies the right of the power company to cancel its contract.

Can Be Settled

The matter of the premium payable on the bonds is one that can be readily settled by applying to the courts for a decision.

The trustee's claim for gold payment, from the legal point of view, is a strong one, but this point of contention will be overcome when the Dominion Government passes enabling legislation eliminating the gold clause from private contracts. As the Federal House meets in January, it is possible to put through the Act before the date of the judicial sale.

The dispute over the power contract is more involved. When Price Bros. & Co. went into bankruptcy, it was generally understood that all contracts made by the company were no longer enforceable. At the time Duke-Price Power Co., now Saguenay Power Co., claimed the contract should be recognized as binding. Since then delivery of power has been made under temporary arrangements.

Pacona, on behalf of Saguenay Power, claims that as the original contract was repudiated a new agreement must be made taking into account the changed situation.

The question of the changed contract may also be settled by the courts, but it may not be possible to secure a decision before the judicial sale.

Pacona also makes other minor demands on the company in settlement of its claims. These follow:

As a condition of the sale of the bonds, Pacona demands payment of the claim of the Saguenay Power Co. against Price Bros. & Co. in bankruptcy, for the sum of approximately $870,000;

Meet Other Demands

Before any payment is made to Consolidated Paper Co., as a non-secured creditor, Price Bros. & Co. must secure an assignment authorizing the payment out of the moneys accruing on the claim of Consolidated Paper against Price Bros. & Co., of approximately $260,000 owing by Consolidated Paper to Saguenay Power Co. for power delivered to the Port Alfred mill of that company;

Price Bros. & Co. must acknowledge all responsibilities in connection with the agreements between the company and Roberval and Saguenay Railway and Saguenay Terminals Ltd.

As regards these minor claims, the trustee-in-bankruptcy agreed to meet them in full.

Lake St. John Plan

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been issued to Lake St. John Power and Paper Co. confirming the compromise reached between the company and the shareholders last month. Under the plan arrears of interest and sinking fund on the bonds were liquidated through the issuance of new securities.

Coal Output Drops

From Our Own Correspondent

MONTREAL.—Coal production in the Springhill collieries of Dominion Coal Co. during December was 44,750 tons, a decrease of 5,759 tons compared with the last month in 1935. The reason for the drop was cessation of operations at No. 6 colliery which became worked out December 3.

CAR DIRECTOR

L. A. Peto, vice-president and general manager of Canadian Car and Foundry Co., who has been elected to the board of directors.

Bell Telephone Traffic Gains

From Our Own Correspondent

MONTREAL.—Up to the end of last November, Bell Telephone Co. of Canada had regained only 32% of the telephones lost after the peak year of 1930, according to C. F. Sise, president of the company. Recovery in business stations has far outgrown the pace of residence installations. Nearly 80% of the telephones in the business classification had been regained on November 30, but residence recovery had reached only 24%.

Long distance traffic on the company's system up to the end of November reached revenues exceeding those for the same period of 1935 by somewhat more than 10%.

One of the most significant reflections of general business improvement was found in the mounting business of the Trans-Canada Telephone system, where the calls are all of the long haul variety. Up to the end of last October, trans-Canada calls had increased 22% over the same period in 1935. Due in part to reduced rates made effective last year, corresponding revenues from these long calls had increased only 12%.

Reflecting Canada's improved export business, transatlantic telephone messages for 10 months of 1936 were 24% above the same period of the previous year.

Investment Notes

Great Lakes Paper — There has been good quality investment in the 5% bonds right up to 90.

* * *

Beatty Bros.—Readers will recall our recent notation that business has improved materially since the year-end, Aug. 31, and that this was the basis of accumulation around $13. It also explains the rise to about $20.

* * *

B. A. Oil—Favorable opinion on the outlook appears dominant among investment men but has not raised the price of the shares materially.

* * *

Canada Steamship — Trading in new shares proposed under the reorganization has been fairly active, on an "if, as, and when" basis, and has yielded big paper profits to buyers who have not had to invest any real money. It appears that more of the equity may have to be given to preferred shareholders.

* * *

United Fuel—This year's improvement, which seems to indicate earnings of about $4.25 a share on the preferred, leads holders to look for generous treatment in the forthcoming reorganization. The plan was not ready on Jan. 1, which was the deadline set by the company in the last annual report.

* * *

Beauharnois — It is difficult to credit the suggestion that the Ontario Government will announce a new power contract with the company in a few weeks. But the report seems responsible for recent strength in the common shares which stand a long way from earnings.

* * *

Ford A—Some recent shrewd buying is based on expectations of an even better report for 1936 than has been indicated.

* * *

Canadian Wineries—There may be something brewing to strengthen earning power. Internal reorganization may help eventually, but the problem appears to be to sell wines without benefit of advertising.

* * *

Hamilton Bridge—With the common at 14 and the preferred below 70, despite arrears of nearly $28 a share, it appears that, relatively, either the preferred is too low or the common too high.

* * *

Massey-Harris—As suggested here before, probably the best way to buy the shares, if one is determined to do so, is to acquire one common for each preferred purchased.

* * *

Price Bros. & Co. — The Pacona judicial sale proceedings caused some liquidation of both preferred and common, which, however, was well absorbed.

* * *

Canadian Shares Held—Estate of the late Otto H. Kahn, New York banker who died recently, includes the following Canadian stocks: 2,608 Big Missouri Mines, 700 Canada Dry Ginger Ale, 250 Canadian Celanese preferred, 1,500 Hudson Bay Mining & Smelting, 850 International Nickel, 2,000 Int. Paper & Power class C, 250 Price Bros. & Co. common. The appraisal shows a value of $1.75 a share on the I.P.&P. class C stock and of $2 a share on the Price Bros., far below present market values. These Canadian stocks have had market values in excess of the appraisals used to calculate the taxable estate of $3,970,869.

* * *

Shawinigan—Quebec utility stocks are slowly gaining confidence with the investor. Shawinigan's stock has been bid up to 30, the highest level for years. The past year was a good one with the company, but there were no outstanding developments. The improvement in earnings was reflected in an increase in dividend, bringing the rate up to 80 cents per annum, which is still well under earnings.

* * *

Donnacona—Stock of this company continues well regarded, with current buying around 17. The report for 1936, which will show gross profits around $270,000, will hardly warrant optimism, but the outlook appears better than for several years past. The relatively large order received from Hearst, an order, by the way, which will net the company somewhat less than the standard price, should keep the newsprint mill busy for some time. Other departments are active and a programme of expansion now under way is expected to add to earnings.

* * *

Power Corp. — The big leverage back of this stock has attracted more than a little speculative buying. Interim reports indicate an expansion in income and value of investment portfolio. The buying is largely "blind," as the management does not disclose particulars of holdings.

* * *

Niagara Wire—This is one of those stocks which goes quietly on its way, steadily increasing in value and paying larger dividends. Currently the bid price is around 45. The activity in the newsprint industry has increased substantially the demand for wire, which in turn has helped earnings.

* * *

C. P. R.—Long neglected, the stock of the C. P. R. has been slowly working its way up and now sells within striking distance of 15, or the equivalent of 60% of par value. Not a bad level considering that earnings on the ordinary shares amount to little or nothing and there is no prospect of a dividend in the near future.

* * *

General Steel Wares—Report that a company intends to carry out a refunding operation and thus reduce interest charges, is always good for a few points on the common stock. General Steel Wares is no exception, the common having been bid up to 10. Prospects for the company continue favorable, but some heavy arrears on the preferred will have to be liquidated before the common comes in for consideration.

* * *

Fraser Cos.—As a general rule, a small value attaches to a stock with direct voting powers. Not so in the case of Fraser Cos. This company has outstanding free stock and stock represented by voting trust certificates. On several occasions recently the certificates have been selling half a point higher than the free stock. The rights attaching to each class, except for voting, are the same.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.8	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
October	151.9	24.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
November	166.9	27.5	107.0	233.4	74.4	179.6	143.6	219.9	62.4	138.4
Weekly Figures, 1936:										
Dec. 3	168.7	29.7	110.6	216.5	73.0	180.2	142.7	211.9	61.0	133.2
Dec. 10	165.8	28.7	110.1	220.0	73.5	178.2	141.5	212.7	60.7	133.4
Dec. 17	172.1	29.0	113.8	219.9	73.8	182.0	143.6	216.0	61.6	135.5
Dec. 24	173.5	29.2	114.7	218.3	74.6	182.3	141.9	216.0	62.1	135.7

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Jan. 5	165.04	158.08	198.67
Jan. 4	163.93	158.61	199.46
Jan. 2		Holiday	
Jan. 1		Holiday	
Dec. 31	162.57	156.28	196.80
Dec. 30	160.59	154.29	194.33
Month ago	155.47	145.70	177.62
Year ago	130.15	121.33	124.77
High, 1936-7	165.04	158.69	199.46
Low, 1936-7	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Jan. 5	86.8	108.5	101.3
Jan. 4	86.2	108.8	101.3
Jan. 2		Holiday	
Jan. 1		Holiday	
Dec. 31	85.6	109.1	101.2
Dec. 30	84.3	107.7	99.9
Month ago	77.7	99.0	91.9
Year ago	68.3	70.8	70.0
High, 1936-7	86.8	109.1	101.3
Low, 1936-7	67.2	69.5	68.9

Simpsons, Limited

Simpsons, Limited merchandising organization serves Canada from coast to coast through its departmental stores and mail order business.

Improving general conditions throughout the Dominion are being reflected in the expanding business of this Company.

Simpsons, Limited
4¼% First Mortgage and
Collateral Trust Bonds
Due December 1st, 1951
Denominations: $1,000, $500 and $100.
Price: 100 and interest, yielding 4.25%

Descriptive circular furnished upon request.

Wood, Gundy & Company
Limited
Toronto
Montreal
Winnipeg
London, Eng.
36 King Street West
Toronto
TELEPHONE: ELGIN 4321
Ottawa
Hamilton
Vancouver
London, Ont.

Front Widened In Hydro Fight

New Lawsuit, New Laws Are Already Under Way

CALL LEGISLATURE

Recent developments in Ontario's repudiation of power contracts of the provincial Hydro-Electric Power Commission include:

1. Filing of a suit at Toronto by Ottawa Valley Power Co., claiming $1,483,239 from the Hydro for power not paid for from December, 1935, to November, 1936.
2. Announcement that the Ontario Legislature's session will open Jan. 19 to take action to strengthen the legal status of the contract cancellations.
3. Reports of new conversations with power interests, presumably Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power Co., by the Ontario Hydro.

Almost 12 months ago Ottawa Valley Power filed its first suit against the Ontario Hydro, claiming for payment for power held available to the Commission in 1935. The suit was turned out of the first court by Chief Justice Rose. But the company's claim, and the right to bring suit without consent of the Ontario attorney-general were upheld on appeal. The case is being carried to the Privy Council, and may be affected by new legislation at the coming session of the Ontario Legislature. It is claimed that the Government cannot outlaw the contract cases completely by legislation, but the Government apparently believes it can.

Reports that conversations have taken place between the Ontario Hydro Commission and power interests bear out The Financial Post's report last week that new contracts for future deliveries are considered possible.

Four Companies

Recent developments indicate that Ottawa Valley Power Co. is not one of the companies carrying on negotiations with the Hydro. Another firm, Gatineau Power Co., now has a substantial contract, so that probable participants in the reported Hydro conversations are Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power.

In 1935 the Ontario Government cancelled old contracts of the four firms by legislation, and later arranged new contracts with the Gatineau and Maclaren firms for reduced amounts of power.

Dominion Stores Sales Up 8.72% For the Year

Sales of Dominion Stores Ltd. in 1936 up to and including Dec. 26 amounted to $19,434,840, an increase of $1,559,337 or 8.72% over the corresponding period of 1935.

In the four-week period ended Dec. 26 sales totalled $1,658,053, an increase of $82,964 or 5.27% over the same period of 1935.

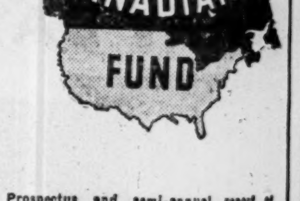
Comparative figures for 1936 and 1935 are given below:

Four week period ending:	SALES 1936 $	1935 $	Incr. %
Jan. 25	1,413,478	1,226,611	15.23
Feb. 22	1,452,088	1,352,553	7.36
Mar. 21	1,513,367	1,417,909	6.73
Apr. 18	1,510,891	1,385,269	9.07
May 16	1,517,152	1,360,939	11.48
June 13	1,463,362	1,350,741	8.34
July 11	1,511,080	1,340,440	12.73
Aug. 8	1,484,725	1,313,961	13.00
Sept. 9	1,467,762	1,290,685	13.71
Oct. 3	1,487,037	1,472,157	1.01
Oct. 31	1,459,935	1,383,939	5.49
Nov. 28	1,495,909	1,405,210	6.45
Dec. 26	1,658,053	1,575,089	5.27
	19,434,840	17,875,503	8.72

Biltmore Share Split Approved By Holders

Approval of the split in shares of Biltmore Hats Ltd., creating four new no par value common shares for each of the former 20,000 authorized and outstanding no par common was given by shareholders at the annual meeting last week.

Extra disbursement of 50 cents a share, in addition to the regular semi-annual $1 dividend on the old common was also announced at the meeting, payable Jan. 22, to holders of record at Jan. 15. Dividends paid on the common stock in the fiscal year ended Nov. 30, totalled $2.25 a share, and with the declaration of $1 on July 15, 1936, a rate of $2 per share per annum was established with possibility of a bonus as earnings warranted.



Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Economy Grocery Stores
CORPORATION
A sound investment giving excellent possibilities for capital appreciation yielding approximately 6½ per cent. at current levels.
Traded on the New York Curb Market and the Boston Stock Exchange.
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Bond Markets

Western Cities to Get Lower Bond Interest

Adjustment Proposed For Calgary and Edmonton—Other Cities May Benefit — Public Debt Increases

Lower bond interest for a number of Western Canada cities is likely to be agreed to in 1937.

A recent survey of the finances of Calgary and Edmonton have convinced representatives of eastern financial interests, which are large bondholders, that some action is necessary in order to alleviate the debt burden of these two cities and to prevent default. With this in view, plans of adjustment have been drawn up and will be submitted to the respective city councils within the next two weeks.

Details of the proposed adjustments are not available, but will be made public following approval by the governing bodies of the two cities.

Under Alberta law, 60% of the outstanding debentures of any municipality must approve a plan of adjustment before it can be put into effect. Bondholders proposing the adjustment do not hold the required number of bonds, but upon approval of the plans by civic authorities will recommend its acceptance by other debenture holders.

It is probable, The Financial Post is informed, that plans of adjustment will also be evolved for Vancouver and Victoria.

Should these four cities be successful in securing adjustments, if even temporary, of interest on their bonds, it is probable that other centres such as Regina and Winnipeg will demand similar treatment.

Bond Maturities

ACCORDING to an estimate by A. E. Ames & Co., the amount of Dominion, provincial and municipal bonds and Dominion treasury bills maturing in 1937 will be substantially larger than in 1936, maturities being estimated at $608 millions, an increase of $190.5 millions. Larger maturities of the Dominion Government are responsible for most of this increase. Provincial maturities will be approximately $10 millions larger than last year although bonds of the Prairie Provinces which became due in 1937 amount to only $2.4 millions, compared with $12.6 millions in 1936.

Summary of Maturities, 1936-1937

	1937 $	1936 $
Dominion:		
Direct	326,086,800	182,871,200
Guaranteed	1,638,688	25,720,000
Treasury bills	150,000,000	90,000,000
Total	477,725,488	298,591,200
Provincial Direct:		
British Columbia	1,260,000	8,852,000
Alberta	1,650,000	6,450,000
Saskatchewan	....	6,031,000
Manitoba	774,000	196,000
Ontario	60,134,500	29,262,000
Quebec	10,577,407	10,428,400
Nova Scotia	3,188,000	1,868,000
New Brunswick	537,000	4,694,300
Prince Edw. Is.	425,000	500,000
Total	78,545,907	68,281,700
Provincial:		
Guaranteed	519,832	1,963,134
Municipalities	51,394,883	48,825,629
Total	608,186,160	417,666,663

* * *

The Public Debt

THE funded debt of the federal, provincial and municipal governments increased by $289 millions in 1936, according to an estimate by A. E. Ames & Co. Total outstanding bonds of these bodies as at Jan. 1, 1937 is estimated at $7,243 millions, exclusive of treasury bills.

If treasury bills are included then the increase was considerably higher. The amount of provincial treasury bills outstanding is not available, but the Dominion treasury bills as at Jan. 1, 1937, totalled $150 millions as compared with $90 millions as at Jan. 1, 1936.

Given below are comparative figures:

Canadian Public Bonds
As at Jan 1

	1937 $ 000's	1936 $ 000's
Dominion of Canada:		
Direct	3,158,461	3,018,997
Guaranteed	968,374	962,567
Provinces:		
Direct	1,447,305	1,398,185
Guaranteed	241,029	218,723
Municipalities	1,427,938	1,355,758
Total	7,243,107	6,954,239

* * *

Market Notes

DESPITE the very substantial appreciation recorded in 1936, newsprint securities continue to attract investors. Even over the holiday season substantial advances were recorded, Abitibi 5's jumped six points to 84½; Consolidated Paper 5½'s eight points to 77½; and M. & O. Paper 6's six points to 59½. Expectations in some quarters are that reorganization schemes for Abitibi Power and Paper and M. & O. Paper will be proposed in the near future.

British Columbia issues have been the only bright spot in the western provincial list, further gains being recorded. Alberta issues eased off one to two points because of fear of further Social Credit legislation. Manitoba and Saskatchewan bonds have also been soft.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-grade Gov't Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Jan. 5	116.80	3.024	Jan. 4	112.21	3.540
Jan. 4	116.81	3.026	Jan. 3	111.98	3.563
1936			1935		
Dec. 31	116.83	3.024	Dec. 31	112.11	3.551
Dec. 30	116.79	3.029	Dec. 30	112.07	3.554
Dec. 29	116.77	3.033	Dec. 28	111.86	3.573
Dec. 28	116.75	3.035	Dec. 27	111.77	3.580

Dividends Declared

	This payment	Date payable	Date of record
Beatty Bros., 1st p.	$1.50	Feb. 1	Jan. 15
Biltmore Hats, c.	$1	Jan. 22	Jan. 15
Do., extra	50c	Jan. 22	Jan. 15
Beaver Fire	2%	Jan. 2	Dec. 15
Brewers & Distillers	•$1	Feb. 1	Dec. 29
Bell Telephone	$1.50	Jan. 15	Dec. 23
B. C. Power, A	40c	Jan. 15	Dec. 31
Brazilian Tr., ord.	40c	Jan. 30	Dec. 26
Bruck S. Mills	10c	Jan. 15	Dec. 28
Brant. Cord., 1st pf.	32½c	Jan. 15	Dec. 19
Bralorne M.	10c	Jan. 15	Dec. 31
Do., extra	5c	Jan. 15	Dec. 31
Brewing Corp., pf.	37½c	Jan. 15	Dec. 31
Calgary Power, pf.	$1.50	Feb. 1	Jan. 15
Can. Amer. Tr. Shs. 2nd trust	7c	Dec. 31	....
Can. Int. Tr. Shs., c.	0.10081	Jan. 1	....
Do., mod. com.	0.10587	Jan. 1	....
Can. South. Rly.	$1.50	Feb. 1	Dec. 28
Can. Bronze	25c	Feb. 1	Jan. 20
Do., bonus	75c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. Fairbanks, pf.	$1.50	Jan. 15	Dec. 31
Can. Industries, A & B	$2	Jan. 30	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Light & Pr.	50c	Jan. 15	Dec. 31
Can. Gen. Invest.	12½c	Jan. 15	Dec. 31
Canada Nor. Pr.	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Coniagas Mines	12½c	Jan. 11	Dec. 31
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Crown Cork	20c	Feb. 15	Jan. 30
Can. & For. Sec., c.	†6c	Feb. 1	Jan. 15
Cons. Bakeries, ord.	20c	Jan. 2	Dec. 15
Do., extra	20c	Jan. 2	Dec. 15
Dome Mines	50c	Jan. 20	Dec. 31
Do.	50c	Apr. 20	Mar. 31
Dom. Textile, pref.	$1.75	Jan. 15	Dec. 31
East. Theatres, pfd.	$3.50	Jan. 30	Jan. 15
Frost Steel, 1st pf.	*$1.75	Feb. 2	Jan. 16
Goodyear Tire, c.	63c	Jan. 15	Dec. 31
Do., extra	$2.50	Jan. 15	Jan. 9
Gt. Lakes Pr., pf.	$1.75	Jan. 15	Dec. 31
Do., c.	$3	Jan. 15	Dec. 31
Guar. Tr. of Can.	$2.50	Jan. 15	Dec. 31
Guelph & Ont. Inv.	$1.50	Jan. 2	Dec. 20
Guelph Trust	$1.25	Jan. 2	Dec. 20
Halifax Fire	45c	Jan. 2	Dec. 10
Howey Gold	2c	Feb. 1	Dec. 31
Imperial Bank	$2.50	Feb. 1	Dec. 31
Indust. Accept., pf.	$1.25	Jan. 2	Dec. 23
Indust. Mtge.	$1.25	Jan. 2	Dec. 16
Inter. Milling, pf.	$1.25	Jan. 15	Jan. 5
Invest. Found., pf.	50c	Jan. 15	Dec. 31
Do., arrears	25c	Jan. 15	Dec. 31
Inter. Nickel, pf.	$1.75	Feb. 1	Jan. 2
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Little Long Lac	10c	Jan. 15	Dec. 28
Lambton L. & Inv.	$1	Jan. 2	Dec. 16
Maritime Tel.	15c	Jan. 2	Dec. 19
Do. extra	10c	Jan. 2	Dec. 19
Do., pref.	17½c	Jan. 2	Dec. 19
Midland Loan	40c	Jan. 2	Dec. 15
Mtl. Telegraph	80c	Jan. 15	Dec. 31
McColl-Front., pf.	$1.50	Jan. 15	Dec. 31
Mtl. L. H. & Power	38c	Jan. 30	Dec. 31
Mtl. Tramways	$2.25	Jan. 15	Jan. 5
Penman's	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Premier Gold	3c	Jan. 15	Dec. 18
Do., extra	1c	Jan. 15	Dec. 18
Power Corp., pfd.	$1.50	Jan. 15	Dec. 31
Do., 2nd pf.	75c	Jan. 15	Dec. 31
Saguenay Pr., pf.	$1.37½	Feb. 1	Jan. 15
Shawinigan W.	20c	Feb. 15	Jan. 20
Sheep Creek M.	2c	Jan. 15	Dec. 31
Smith, Howard, pf.	$1.50	Jan. 15	Dec. 31
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
Simon & Sons, c.	25c	Jan. 15	Dec. 31
Do., pref.	$7	Jan. 15	Dec. 31
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
South Can. Pwr., pf.	$1.50	Jan. 15	Dec. 19
Tor. Elevators, pf.	$1.75	Jan. 15	Jan. 2
Tuckett Tob., pf.	$1.75	Jan. 15	Dec. 31
United Corp., A	*75c	Feb. 15	Jan. 20
Un. Gold Eq., st. & c	4c	Jan. 15	Jan. 5
United Secs.	50c	Jan. 15	Dec. 26
Waterloo Trust	$2.50	Jan. 2	Dec. 22
West. Grocers	60c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wr.-Hargreaves	‡10c	Feb. 1	Jan. 6

†Initial. *On arrears. ‡Interim.
•Capital distribution.

Bond Tenders

4 p.m., Jan. 7, Salaberry of Valleyfield—$50,000, 3½%, dated Nov. 1, 1936, redeemable 1937 to 1951. Charles Codebecq, clerk.

Companies Get No Benefit From U.S. Divd. Tax Cut

Reduction of the U. S. tax on dividends and interest paid by American debtors to nonresident investors will benefit individual Canadian holders of American securities, but will be of no assistance to Canadian corporations drawing earnings from U. S. branches.

An agreement has been signed by Canadian and U. S. Governments reducing from 10% to 5% the tax levied by the American Government on payments to Canadian investors. It is retroactive to cover payments throughout 1936. This has to be ratified by the U. S. Senate and will be submitted to Parliament at Ottawa for approval. The agreement provides that either country may increase the rate above 5%, but in such case the other country is released from its obligation.

The agreement provides that a Canadian individual nonresident in the United States, will be taxed a maximum of 5% by the American Government on dividends and interest, compared with 10% at present. Canadian corporations having no office or place of business in the United States will also get the 5% rate. For corporations, however, this seeming gain is offset by the Canadian corporation income tax. The Dominion Government, in effect, gets the benefit of the reduction of the tax on dividends received by Canadian companies.

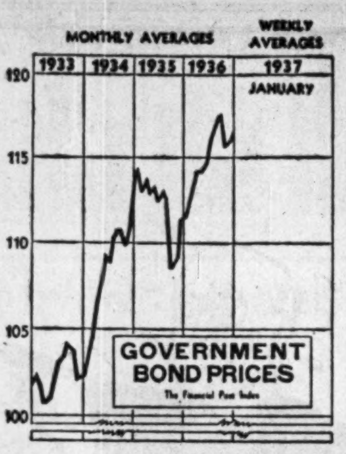
The manner in which Canadian corporations fail to benefit is best illustrated by example. For instance, on income of $100 obtained by the U. S. branch or subsidiary of a Canadian firm, the Dominion income tax is $15. The Dominion allows a deduction equal to the levy paid to the American Government. Thus Canadian companies have been paying the $15, but only $5 went to the Ottawa Government and the U. S. Government was getting $10. Under the new arrangement, the Dominion corporation tax will remain at $15. But Ottawa will get $10, after allowing the deduction of tax paid to Washington. And the U. S. treasury will get its $5.

In brief, of the total tax of $15 on $100 of income from a U. S. branch, the Dominion will now get $10 and Washington $5, instead of the former amounts of $5 to Ottawa and $10 to Washington.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Can. Bread	*6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
Indust. Accept. A	6%	1940	Jan. 25	105
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	105
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B	5%	1960	Mar. 1	104½
Can. Cons. Rub'r	†6%	1946	Apr. 1	110
Can. Crushed Stone	6½%	1944	Jan. 15	103
Can. Paper, A	6%	1945	June 4	103½
Dom. Tel. Secs.	†5½%	1978	Feb. 2	100
Regent Knit	6½%	1942	Mar. 1	105
Toronto Carpet	6%	1944	Mar. 1	103

For sinking fund: •$100,000. †$2,900.
*Maturing from Aug., 1937, to 1956. ‡Private sale between Feb. 1 and April 1, 1937, in Canadian funds.
Stock Issues:
Toronto Elevators 7% Pref. Mar. 8 110



Municipal Finances

Brantford, Ont., reduced its debenture debt by $100,353 in 1936. During the year the city met maturities totalling $315,353 and issued new debentures amounting to $215,000.

* * *

Winnipeg, Man., has made arrangements whereby the city's sinking fund trustees will purchase $1 million of Winnipeg 4% bonds at par. The issue carries a 15-year term and will liquidate the major portion of the city's outstanding indebtedness for relief purposes in 1935.

* * *

Calgary, Alta., reports that the combined results of its four public utility departments show a deficit of $2,488 for the first 11 months of 1936. The electric light department had a profit of $57,311, but this was offset by deficits in other departments. The street railway deficit totalled $47,929; waterworks deficit, $11,073; and the paving department deficit, $796. In the corresponding period of 1935 the utilities had a deficit of $21,925.

* * *

Chandler, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Jan. 1, 1937, also interest to that date on bonds which matured on Jan. 1 and May 1, 1933, 1934, 1935 and 1936.

* * *

St. Fulgence Parish, Que., which is in default, is paying interest coupons of Feb. and May 1, 1933; also interest as at Feb. and May 1, 1933, on bonds matured Aug. and Nov. 1, 1932.

* * *

St. Benoit-Joseph-Labre, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Jan. 1, 1937. Interest is also being paid to that date on bonds past due since Jan. 1 and July 1, 1933, 1934, 1935 and 1936.

* * *

Bagotville, Que., is paying interest coupons of Nov. and Dec. 1, 1932; interest from May 1 to Nov. 1, 1932, on bonds matured May 1, 1932; interest from June 1 to Dec. 1, 1932, on bonds matured June 1, 1932.

Security Offerings

Donnacona

From Our Own Correspondent

MONTREAL. — Extensive plant additions will be carried out by Donnacona Paper Co. during the first half of this year and to that end, the company is raising $750,000 of new capital in the form of 5½% 10-year notes, a public offering of which is being made by W. C. Pitfield & Co.

The company plans to make improvements to its three newsprint machines which will speed up production from 240 tons to a minimum of 275 tons daily, or an increase on an annual basis of at least 11,000 tons.

Improvements planned for the groundwood mill include the installation of two modern grinders in order to increase its production capacity to provide sufficient groundwood to meet the increased capacity of the paper machines.

Contemplated extensions to the sulphite mill, which will include the installation of a kamyr press, are calculated to increase the amount of available sulphite pulp from about 35 tons to 65 tons per day.

Another phase of the programme is an initial hydro-electric power development at one of the company's undeveloped power sites near Pont Rouge by installing a modern unit capable of producing 2,250 h.p.

Further the company proposes to acquire a new self-propelled steel barge to carry newsprint, which is expected to bring about a considerable reduction in cost of transportation of both newsprint and pulpwood.

As a result of these extensions and anticipated economies in manufacturing, it is estimated that net revenue available for interest, depreciation and depletion and income tax will amount to $758,000 for 1937. This contrasts with $270,000 for the past year.

Toronto Elevators Ltd.

Issue of $1.5 million of new 5¼% preferred stock of Toronto Elevators Ltd., was oversubscribed prior to public announcement of the offering. The issue is to pay for redemption of a similar amount of 7% preferred at 110 on March 8, 1937.

Particulars of the new issue follow:

TORONTO ELEVATORS LTD.
$1,500,000 5¼% Preferred Stock

Company—Operates 4,000,000 bu. grain elevator and feed business at Toronto, and, through subsidiary, a 3,000,000 bu. elevator at Sarnia, Ont.

Capital—Outstanding $1.5 million 5¼% preferred stock, shares of $50 each, and 25,516 comon shares.

Funded Debt — None except building loan $330,000 and balance of $568,117 payable to city of Sarnia for elevator.

Earnings—In last two years, after depreciation and taxes, over twice preferred dividend requirements, and are showing improvement.

Preferred Shares — Carry cumulative dividends at 5¼% from March 7, 1937, redeemable at $52.50 each on 30 days' notice.

Sinking Fund—Starting Feb. 15, 1938, 15% of net profits after preferred dividends.

Offering—30,000 shs. of 5¼% preference at $50 by Dominion Securities Corp.

Timber Limits Sold

MONTREAL. — Extensive New Brunswick timber limits owned by C. L. Fenderson, of Jacquet River, N.B., are understood to have been sold. A report that Joseph Simard, Montreal, had purchased the limits is not substantiated. On the other hand, it is said that J. A. Brillant, of Rimouski, was an interested party in the deal.

Cand'n Dredge Likely to Show Lower Profits

January Dividend Bonus is Paid Partly Out of Surplus

NEW CONTRACTS

Lower profits are expected to be shown by Canadian Dredge and Dock for the current year which ends Jan. 31 next. Last year the company had a net profit of slightly over $480,000 and earned $5.02 per share.

Though a $1 bonus was added to the regular dividend of $1 per share on Jan. 2 bringing the total for the year to $3 on the common stock, this bonus was not completely earned in the current year according to a statement to the shareholders. The statement pointed out that the "directors have felt warranted in paying the regular dividend with a bonus, though drawing on surplus to some extent for this purpose."

Has Big Surplus

Last year after paying dividends on the preferred stock, since redeemed, the regular common dividends and the bonus, there was a surplus of almost $195,000. This brought total surplus up to well over $950,000 which the directors consider in excess of "ordinary requirements."

As dividend payments plus bonus on the 94,775 shares of common stock outstanding would involve a total of approximately $285,000, it is assumed that net profit this year will be somewhat less than this amount, provided about the same depreciation as in 1936 is written off. Over the last five years net profits have fluctuated from around $50,000 to almost $500,000.

New Work

Volume of contracts for the past year is reported as somewhat light with work on one of the company's major contracts suspended in midsummer, money not being available for payment. The new contracts in Jamaica and at Port Arthur will appear in next year's accounts.

It is stated that contracts for the coming season's work amount to about $1 million, which is about the same as at this time a year ago.

Goderich Elevator Co. Storage Revenue Drops

Storage revenue during the latter half of 1936 was disappointing to Goderich Elevator Co., it is intimated in a letter to shareholders accompanying the half yearly dividend cheques of 25 cents per share to shareholders of record of Dec. 15.

The first half of the navigable season, it is stated, was profitable but low rates to seaboard later on took business away from the lake and rail route via the Bay ports. While total receipts for the whole season were up nearly 45%, revenue from storage was reduced due to the speedy movement of grain into export channels.

For the year ended March 31, 1936, Goderich Elevator showed a net profit of almost $70,000 as compared with under $13,000 in the previous year. On its 84,006 outstanding shares of common stock this was at the rate of 83 cents per share.

Tax Sale Threatens Toronto Arena Gardens

Arena Gardens, is listed for sale by the City of Toronto by reason of nonpayment of 1933 and 1934 taxes. These arrears amount to almost $16,000 and in addition there are also arrears for 1935 and 1936 of a similar amount. Bonds outstanding amount to approximately $225,000. Prospects of the shareholders of getting anything out of their investments are considered remote. Efforts of the Arena Gardens to have assessment reduced so far have failed.

When the new Maple Leaf Gardens, a much larger and more modern sports arena was erected in Toronto in 1931 the old Arena Gardens lost its chief source of revenue which was derived from hockey. Wrestling and boxing bouts, indoor lacrosse and bicycle races, band concerts, exhibitions, etc. have not produced sufficient revenue in the Arena to pay expenses, let alone anything on bond interest or taxes.

St. Catherine Co. Defers Jan. 1 Bond Interest

MONTREAL.—St. Catherine Improvement Co. has informed the Royal Trust Co., trustee for the bondholders, that coupon dated Jan. 1, 1937, would not be paid until some future date when funds of the company so permitted.

The coupon due on July 1 last was paid on Aug. 25 at the office of the company.

Leonard Read Heads B. C. Bond Dealers

Leonard Read, of Read Bros. & Co. Ltd., Vancouver, has been elected president of British Columbia Bond Dealers Association. Murray Brink, of Pemberton & Son, Vancouver, is vice-president.

The executive council is as follows: G. Lyall Fraser, Jack Paterson, John Mahon and D. Knight. Gordon Sweet is honorary secretary-treasurer.

NEW TREASURER

Sanford M. Thompson has been appointed treasurer of the Manufacturers Life Insurance Co. He succeeds Lewis A. Winter, who is retiring after 44 years in the company's service. Mr. Winter joined the company at Montreal in 1892, was secretary from 1904 to 1916 and since then, treasurer. This week a complimentary dinner was given in his honor at Toronto.

Mr. Thompson has been assistant treasurer since 1934. He entered the actuarial department of the company in 1923. He is a Fellow of the Actuarial Society of America.

Bathurst Plans Heavy Outlay

Will Spend $650,000 During 1937 on Plant Improvement

From Our Own Correspondent

MONTREAL. — Bathurst Power and Paper Co. has undertaken a $650,000 plan improvement programme, notably the construction of a steam plant, which will be completed by August this year. Orders for a portion of the major equipment have already been placed.

This work is being undertaken in line with the company's policy of improving its facilities, and it is anticipated that substantial savings will accrue.

Among other things the programme calls for construction of a steam plant, the generating unit of which will have a capacity of 110,000 lb. steam per hour, and will be operated at a pressure of 650 lb. This will be the first installation operating at such a pressure in the paper industry in Canada. The steam generating unit will be fired with pulverized coal and will operate at a high rate of efficiency.

Coupled with the steam generating plant will be a large 6,000 kilowatt by-product steam turbo-generator, which will make use of the steam from the generating plant to generate power before steam is passed to the rest of the mill for process work.

What's What In Advertising

By TORY FLEMING

The Tea Market Expansion Bureau has appointed the Baker Advertising Agency to direct its advertising, effective immediately, according to an announcement by F. E. B. Gourlay, Canadian Commissioner.

* * *

The Baker Advertising Agency is preparing a new campaign for Northern Tissue, a product of the Northern Paper Mills. The 1937 campaign will be substantially increased over 1936.

* * *

Account changes in the past week saw Canadian General Insurance Co. and Toronto General Insurance Co. name McConnell, Baxter and Eastman as advertising agents; Bromo-Seltzer Ltd. appoint J. Walter Thompson; and Miles Laboratories name Cockfield, Brown and Co. to handle advertising of Alka-Seltzer.

* * *

Tandy Advertising Agency, Toronto, has been appointed to direct the advertising of G. W. Halnan & Co., Ridge Securities Ltd. and Mining Research Corp., all of Toronto.

* * *

Replacing John W. Teale, who resigned recently, H. V. Peterson has been transferred to the Montreal office of the James Fisher Co.

* * *

A new campaign for Victory-V cough drops, which are distributed by M. Allen and Co., is being released to newspapers by the Baker Advertising Agency Ltd.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.55	4.90
Can. Invest. Fund	4.70	5.05
All Can. Trustee	14.75	15.50
Trans-Canada	...	15.20
Grouped Income	6.69	7.35
Can. Equity	13.00	...
Can. Int. Tr. modified	6.12	6.65
Do., unmodified	5.50	6.00

Listed Bonds

Week Ended Jan. 4, 1937

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50½	..	51½	50
McNish	6	'48	3.75	..	4.00	3.00

Grand Trunk Case Reopens

English Shareholders Move to Establish "Rights" in Court

Acting through Geo. P. Lovibond, an English shareholder, holders of the old Grand Trunk Railway junior securities have reopened their case in the Ontario courts.

The original action was started in 1931 by Lovibond on behalf of 30,000 Grand Trunk shareholders in Great Britain. He named the Grand Trunk, Canadian National Railways and the Attorney-General of Canada as defendants. He attacked the validity of legislation under which the Canadian Government acquired all the stock of the Grand Trunk Railway Co., and asked a declaration that he and other holders of first, second and third preference common stock were still owners of the securities or, in the alternative, damages for loss of stock.

Last Preliminary Rounds

The Supreme Court of Ontario held that the plaintiff had not the right to maintain the action in the province's courts. The Ontario Appeal Court upheld this decision. The Privy Council decision, however, gave Lovibond the right to sue in Ontario courts.

In the present instance the defendants have requested the court to order the plaintiff to post security for a suit against the Grand Trunk and Canadian National Railways. The court also has been asked that the name of the Attorney-General of Canada be deleted as the defendant.

C. F. H. Carson, acting for the defendant, says the findings of the Privy Council had "cut the statement of claim to pieces," leaving Lovibond with only an action for damages at common law for the loss of his Grand Trunk stock.

Montreal Power Output Advances

Electricity Sales Higher for 1936 — Gas Sales Off Slightly

From Our Own Correspondent

MONTREAL.—Further improvement in the demand for utility services in the Greater Montreal area during December, is reported by Montreal Light, Heat and Power Consold.

Electricity output last month totalled 104.9 million kw.h., as against 100.1 million kw.h. a year ago, an increase of 4.83%.

For the full 12 months production of energy amounted to 1,073 million kw.h. This contrasts with 1,023 million kw.h. for the previous 12 months, making for an increase of 4.82%. The figures do not include secondary or export power.

Gas Sales Slow

Gas output figures show a decrease of 2.61% in December when production totalled 431 million cubic feet, compared with 442 million cubic feet during the same month a year ago.

Gas production for the full year decreased fractionally, having amounted to $5,177 million cubic feet, as compared with 5,186 million cubic feet in 1935.

Bell Co. Cuts Costs On Its Trucks, Cars

Bell Telephone Co. of Canada was able to reduce operating expenses on its huge fleet of trucks and automobiles in Toronto and vicinity divisions by more than one-third, according to H. A. Scott as reported in Marketing.

Careful check on drivers as to habits, preference for type of car, safe driving, etc., together with speed governors which "have proved to be a sure economizer in gas and oil" were given part of the credit.

"Our figures show," says Mr. Scott, "that the cost of gas, oil, tires, repairs, anti-freeze, garage service and so on is around 2¼ to 3 2/3 cents per mile for passenger cars, according to tariff. This is a low figure and is accounted for by the fact that the company has its own garage located in many centres and does fully 50% of its own servicing, such as washing and greasing. This fact also saves parking charges in many cases.

"Many of our superintendents," says Mr. Scott, "have their own cars and when these are used on company business, we allow their owners 7½c. per mile travelled. They are not obliged to drive their own cars, as they may use local taxi service if no company car is available at the moment."

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Dec. 29	Dec. 30	Dec. 31	Jan. 2	Jan. 4
U. S. Dollar, High	1.00	1.00	1.00	1.00	.99[illegible]
Low	.99[illegible]	.99[illegible]	.99[illegible]	1.00	.99[illegible]
1935 High	1.00[illegible]	1.00[illegible]	1.00 1/16	1.00 1/16	1.00 1/16
Low	1.00[illegible]	1.00[illegible]	1.00 1/16	1.00[illegible]	1.00 1/16
U. K. pound	4.91⅛	4.90¾	4.91	4.91	4.91
Australia	3.9300	3.9275	3.9300	3.9300	3.9300
Austria	.1875	.1873¾	.1875	.1875	.1875
Belgium	.1687	.1685	.1685	.1685	.1689
Brazil	.0597	.0597	.0597	.0595	.0600
Czechoslovakia	.0350½	.0350¼	.0350½	.0350⅜	.0350⅜
Denmark	.2194	.2191½	.2193	.2192	.2193
France	.0467¼	.0466¾	.0467	.0467	.0467
Germany	.4024	.4021½	.4024	.4024	.4023
Greece	.0090	.0090	.0090	.0090	.0090
Holland	.5475	.5472½	.5476	.5476	.5474½
Hungary	.1980	.1973¾	.1975	.1975	.1974½
India	.3726	.3713½	.3719	.3719	.3718
Italy	.0526⅜	.0526	.0526⅜	.0526½	.0526⅜
Japan	.2844	.2823¼	.2825	.2828	.2843
Jugoslavia	.0234	.0233¾	.0234	.0233½	.0233½
New Zealand	3.9625	3.9600	3.9600	3.9600	3.9612
Norway	.2469	.2467	.2468	.2468	.2468
South Africa	4.9025	4.8975	4.9000	4.9000	4.9000
Sweden	.2533	.2532	.2532½	.2532½	.2533
Switzerland	.2299	.2297	.2298	.2298	.2298
Hong Kong	.3067	.3063	.3065	.3062	.3069

Bowcock, Hackett & Morgan
Members The Toronto Stock Exchange
Telephone: Adelaide 0323
320 Bay Street - Toronto

New Regulations Made For Protection of Funds

(Continued from page 1)

in connection with his practice as may be necessary to show and distinguish (a) the moneys received from or on account of and the moneys paid to or on account of each of his clients, and (b) the moneys received and the moneys paid on his own account.

"2. Every barrister and solicitor who holds or receives money on account of a client (save money hereinafter expressly exempted from the application of this rule) shall forthwith pay such money into an account at a chartered bank (or trust company authorized by law to receive money on deposit) to be kept in the name of such barrister and solicitor and designated as a trust or client account. Any barrister and solicitor may keep one such account, or as many as he thinks fit. Provided that where a barrister and solicitor receives money representing in part money belonging to the client and in part money due to the barrister and solicitor, he may, where practicable, split the money and pay into the trust or client account that part only which represents money belonging to the client. In any other case he shall pay the whole of such money into the trust or client account.

Trust or Client's Account

"3. Except as in these rules otherwise provided, no money shall be paid into the trust or client account other than:

"(a) Money held or received on account of a client;

"(b) Money for the replacement of any sum which may by mistake or accident have been drawn from the account in contravention of these rules;

"(c) Money received by the barrister and solicitor representing in part money belonging to the client and in part money due to the barrister and solicitor, when the same has not been split as provided by Rule 2 hereof.

"4. Except as in these rules otherwise provided, no money shall be drawn from the trust or client account other than:

"(a) Money properly required for payment to or on behalf of a client or for or toward payment of moneys due to the barrister and solicitor from a client, or money drawn on the client's authority or money in respect of which there is a liability of the client to the barrister and solicitor; provided, that the money so drawn shall not in any case exceed the total of the money so held for the time being for such client;

"(b) Money which may by mistake or accident have been paid into such account in contravention of these rules;

"(c) Such money belonging to the barrister and solicitor as may have been paid into the account under Rule 3 (c).

"5. Rules 2, 3 and 4 shall not apply to money which:

"(a) The client in writing requests a barrister and solicitor to withhold from the trust or client account or to deposit elsewhere;

"(b) A barrister and solicitor pays into a separate account opened or to be opened in the name of a client or some person named by that client or the duly authorized agent of that client;

"(c) In the ordinary course of business upon its receipt is paid on behalf of the client to a third party;

"(d) Is upon its receipt paid to the client;

"(e) Is paid to a barrister and solicitor expressly on account of costs.

"6. No barrister and solicitor shall at any time permit the account of a person in any trust or client account to be overdrawn.

May Probe Accounts

"7. The benchers of the Law Society of Upper Canada and (or) the discipline committee, acting either on their own motion or on written complaint lodged with them, may at any time require an investigation to be made by a chartered accountant designated by the benchers and (or) the discipline committee either by general regulation or particular designation, of the books and accounts of any member or members of the Law Society for the purpose of ascertaining and reporting whether these rules have been and are being complied with by such member or members and such member or members shall produce to such chartered accountant all such evidence, vouchers, records, books and papers as such chartered accountant may require for the purpose of such investigation. Such chartered accountant shall report to the discipline committee in such manner as that committee may require.

"Before instituting an investigation on a complaint made by a third person, the benchers and (or) the discipline committee may require prima facie evidence that a ground of complaint exists, and may require the payment by such complainant to the Law Society of a reasonable sum to be fixed by the benchers and (or) the discipline committee to cover costs of the investigation and the costs of the barrister and solicitor against whom the complaint is made. The benchers and (or) the discipline committee may deal with any sum so paid in such manner as they think fit.

"Such chartered accountant shall report the result of his investigation to the benchers and (or) the discipline committee and furnish a copy of his report to the said member or members."

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NEW ISSUE
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TORONTO ELEVATORS LIMITED
(Incorporated under the Laws of the Province of Ontario)
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Information regarding the details of these securities and the financial position of the Company will be found in the official offering circular which is available upon request.
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TORONTO, JANUARY 9, 1937

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1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Can This Be Aberhart?

"CALGARY, Jan. 3.—Premier William Aberhart told the Calgary Prophetic Bible Institute today he had no intention of sponsoring drastic, radical legislation, the type that would knock finance off its pedestal."

* * *

MR. ABERHART is in a difficult position. Ignoring the fact that he is in a difficult position chiefly because he promised a millenium he could never hope to deliver, that the radicalism which now haunts him is radicalism that he himself inflamed, it is a fact that the Premier of Alberta, when he speaks as he spoke on Sunday, deserves the support and sympathy today of all moderate thinkers in his province and elsewhere in Canada.

Mr. Aberhart seems to have discovered how illusory were some of his promises; how foolish some of the elements in his programme. Unfortunately not all of his followers have seen even a glimmer of the light in this respect. They want the promised Paradise in toto or not at all. If Mr. Aberhart will not work for it, then, they say, away with Mr. Aberhart.

Not long ago the word came out of Alberta that drastic, radical legislation could be expected. Obviously, those who issued that statement were endeavoring to force Mr. Aberhart's hand. They were trying to get in their word ahead of the more moderate elements in the Cabinet—those men who are willing to move more slowly toward Utopia and to do those things that might now help to restore Alberta's credit rather than to destroy the remnants of it.

Mr. Aberhart said on Sunday:

> "I am told that some who are well able to meet their obligations are causing distress by hiding behind the skirts of the unfortunate. The only drastic legislation I might be tempted to consider is to meet that type of evasion."

This is a remarkable statement. It does not sound like the Aberhart of last summer. It sounds like an Aberhart ready to rout the radicals rather than be pushed by them into an abyss of destructive legislation.

If this is a new Aberhart, he is a welcome one.

Wage Increases, But For Whom?

AMONG farm leaders the feeling persists that industrial wages are too high in relation to farm prices. They continue to demand that factory wages be reduced further in order that farmers may be able to buy manufactured products at lower levels.

In the face of this demand, factory wages are going up.

There are other elements of confusion in the wage situation. The rise in wages is taking place when the cost of living is not yet back to old levels; when there is still a vast army of unemployed apparently unable to sell their time at any price.

There is a great deal of talk of exploitation. The farmer says the industrial worker is exploiting him. Certain spokesmen for labor declare that the factory worker is being exploited by industry, by capital.

There are in reality fewer paradoxes in the labor situation than there appear to be. A little analysis makes it clear that most generalities about labor are inaccurate and merely lead to misunderstanding.

For one thing there is no general level of factory wages. One Washington commentator calls attention to the fact that the leaders of organized labor in the United States are calling strikes and issuing propaganda designed to bring about wage increases for those who are already the best paid workers in the United States or any other countries. They are the "economic royalists" of labor. Their position is quite different from that of the underpaid workers in sweat shops, from that of child laborers, underprivileged women, or exploited workers in industrial black spots. It is said that President Roosevelt's administration has little sympathy with the extreme demands of organized labor; that his advisers feel that the differentials within labor are far more inexcusable than the differentials as between labor and capital. The U. S. President is, it is said, concerned only with ending exploitation of labor where it still persists, and not in encouraging certain privileged groups in labor to do some exploiting themselves of other consuming groups in the community.

A progressive raising of the real wages, of the standards of living of all workers is most desirable in Canada as in all countries. This need not take place at the expense of other groups in the nation. Science, power and administrative genius can give us increasing wealth from which to pay increasing wages. But the advance should be orderly with not too many groups racing ahead to grab off the lion's share of the wealth that our economic advance so generously provides. There are a good many people, to mention one illustration, who hail the present general tendency to advance wages and at the same time regard the specific requests of the railway unions as most unreasonable and quite unfair to other workers who would have to pay the cost of meeting these requests.

Increased wages for the underpaid are a much greater social and national necessity than higher wages for well sheltered workers.

Canadian Names for Canadian Wines

WINE manufacturers in Ontario are raising complaints because the Dominion Government has asked them not to mislabel their products by calling them Champagne, Burgundy, Sauterne, etc.

Instead of protesting because they are not allowed to use the names of well-established European place names, that have long been associated with wines of a particular character, the Canadian wine growers ought to be developing their own vintages, with distinctive names.

Secretary of the Ontario Wine Manufacturers Association is quoted as saying:

> "We make a strictly Canadian product and are proud to label it such. We certainly do not attempt to make people believe our products are of European origin. We would be flattering France or Portugal to do so."

A "strictly Canadian product" ought to have a strictly Canadian name. And when such Canadian names are developed it will be only fair that Canadian wine growers should ask both the Canadian and foreign governments to protect them against misuse.

Cabinets and Speculators

IT IS inevitable that decisions of government should affect prices in security markets. It is inevitable, too, that advance knowledge of what governments are going to do should be exploited occasionally for speculative profits.

In Canada we have in large measure taken our standards of public morality from Great Britain. It is seldom in this country that any cabinet minister or governmental official would speculate on inside knowledge of governmental discussions. Most men in public life would lean backward to avoid any suspicion of such conduct.

Not only does the public demand probity in its public men, but it asks that governments display stability in their policies so as to avoid extreme and costly fluctuations in securities, commodities, exchange rates and other indicators of business and economic health.

The manner in which the Ontario Government has handled the matter of the cancellation of Quebec power contracts falls far short of conforming to this canon of administrative conduct. There has been confusion in the statements of different ministers. There have been vacillations and delays that have led to wide and often abrupt swings in the prices of the bonds of the Quebec companies. The total market values of the issues have risen and fallen by millions over short periods.

That is why The Financial Post has asked the question "Who made the profits in the fluctuations in the prices of the power bonds?" It does not profess to know the answer to the question and makes no personal allegations or insinuations. Yet it feels that the Ontario Government's conduct in the matter, taken together with the wide market fluctuations, makes it desirable to trace the buying and selling to see if someone with a knowledge of what was going on behind the scenes was making improper use of what he knew. Certainly before one recent rise in key issues, there was a good deal of "well-informed" buying.

Public suspicion that someone was trading on inside information is not a long step from public suspicion that some of the moves were made for their market effect.

Competition in Banking Service

BANKS exercise a great influence over the welfare of the Canadian people. It is essential, therefore, that a proper understanding should exist between bankers and the public. How are the banks going to win that understanding; by pontifical encyclicals from the top, or by the practical, personalized work of their local ministers — the branch managers?

Canada's banks do not have to convince people of their strength; that is generally accepted. They do not, at the moment, have to advertise for deposits; a plethora of funds is one of their main problems. What they must do, now and at all times, is sell themselves as public service institutions, acting at all times in the best interests of their own clients and the country as a whole.

The banks are beginning to realize the importance of public understanding of their services and policies. In casting about for ways and means of getting their message across they are thinking in terms of group action; of joint campaigns of education.

They have wisely appointed Vernon Knowles, experienced editorial executive, to advise them on ways and means of publicity. Valuable as is group effort, there is another phase of the work that ought not to be overlooked.

Even more important than group campaigns of publicity would be humanized and dramatic advertising and public relations work by the individual banks.

The goodwill enjoyed by the automobile industry largely results from the sum of the efforts of the individual car-makers. They have dramatized what the public could understand; the service and reliability of Fords, Chevrolets, Plymouths, etc.; the technical triumphs of the separate companies.

The primary object of the public relations department of every bank should be to present, in an effective, simple manner, an explanation of what it has done, is doing and will do to promote business prosperity. Each bank ought to develop its own individual personality and its own field of service.

A case in point is the government-sponsored home improvement loan campaign. All banks have gained a measure of public sympathy from participating in the plan. But a few, which have viewed the project from a public relations angle, as well as a boost for the construction industry, have gained much more by extensive promotion work on their own.

When the banks concentrate on what they can say as a group, they invite the public to think of them as a well-integrated combine, which they are not, rather than as 3,000 individual guardians of thrift and retailers of credit, competing among themselves to look after the banking needs of the average man and woman, which is what they are.

The banks have helped to build up in the public mind a picture of a highly concentrated banking power. They are probably not conscious of this. But it is true. The demagogue says the banks are a combine against the public. He says the banks get together and plan selfishly to exploit the public. And what do the banks do in return? They get together and decide how they will reply. Their very unanimity in dissent works against them, is offered as evidence of the truth of the charge. They would now benefit from supplementing their centralized educational work with more dramatic individual advertising; from winning a high regard for and loyalty to the individual bank and the local branch.

Britain's Food Supplies

THE United Kingdom's efforts toward self-sufficiency in the matter of food production are of vital interest to all Canadians. While we have been striving to capture a greater share of the British market for wheat, bacon, cheese, apples and other products, agriculture in the Old Land has been stimulated by subsidies, tariffs and partial embargoes with the same object in view.

Greater output by English farmers has been largely at the expense of non-Empire countries like Denmark and Argentina, but if continued at the recent rate of progress it will also seriously threaten exports from Canada and other Empire Dominions. Moreover, so long as danger of war with its possible interruption of international shipping continues to threaten Europe, it is doubtful whether there will be any diminution in this development of British nationalism.

A recent survey by The Economist shows that very substantial progress has been made by Great Britain in her efforts to feed herself. Five years ago England imported 85% of her wheat requirements. Today, as a result of increased domestic production, that proportion has been reduced to 75%. Production of beef and mutton has been stepped up a third with a corresponding decline in imports. Bacon production has been increased almost exactly 50% in four years, thus dispensing with the necessity for almost two million cwt. of imports. Domestic production of cheese in the United Kingdom has been increased from one third of total consumption in 1931 to almost one half of the 1935 consumption.

But The Economist, which leans toward unrestricted international trade, doubts whether this replacement can proceed much farther.

Editorials in Brief

The demagogue talks to the public in terms of symbols and slogans or "catch phrases"; the swastika of Hitler, the fasces of Mussolini, the "soak the rich," "every man a king," "$25 a month for everyone" of our North American popular leaders.

Business, too, must sell itself to the public through symbols and slogans. How this can be done was the subject of an article by Edward L. Bernays, in the Economic Forum, of New York, some months ago. The article has now been reprinted in a booklet form by Economic Forum, together with comments of some industrial leaders.

Bernays, who is the leading U. S. public relations counsel now that Ivy Lee is dead, urges a programme of action to teach the public that it needs modern business and financial institutions and cannot get along without them.

* * *

The Ottawa Citizen has worked itself up into a lather of excitement over some recent comments in The Financial Post on the subject of "lawless wage cutting." What The Post was referring to was lawless cutting of the wages of money. If the wages that were being cut were the wages of men and women there would be no protests, says The Citizen. It adds, in a vein of irony:

> "It is quite ethical to cut the wages of men and women before you cut the wages of money in this most perfect of all financial worlds."

It is really too bad to spoil The Citizen's enjoyment of its agony of distress. But unfortunately for its argument it took over a column in a recent issue of this paper to list the names of companies that have recently increased wages of their employees.

Sayings of the Week

"Our real problem is not Fascism versus Communism but democracy against dictatorship."—*Lord Marley.*

* * *

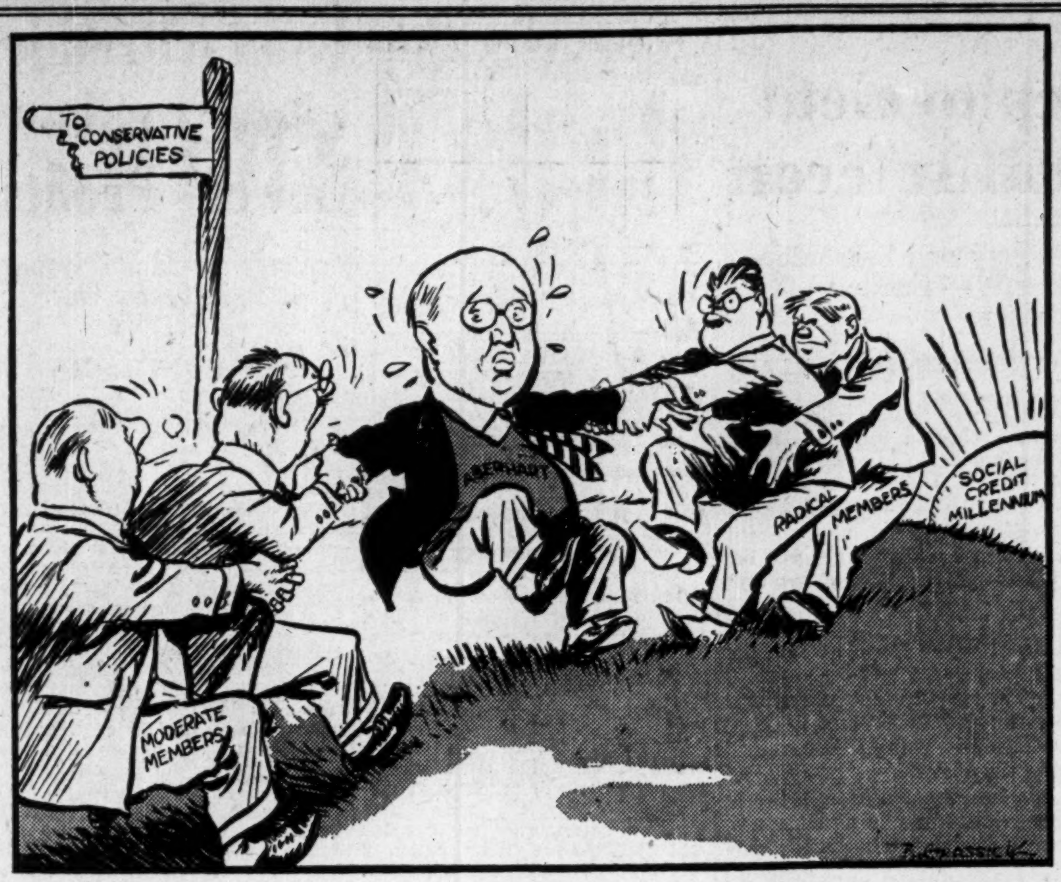
"The frontiers of civilization are no longer outward and material but spiritual and inward." —*Sir Robert Falconer.*

* * *

"If the full truth were ever known about the way in which government influence has been used by great corporations, public indignation would know no bounds."—*Henry A. Wallace.*

* * *

"The processes of a democracy are always slower than those of an all-powerful government but they are likely to be more certain of good results."—*Alfred M. Landon.*



—*Drawn for The Financial Post by Grassick.*

BOTH ENDS AGAINST THE MIDDLE

Ideas Create Money

By W. J. CAMERON,
of the Ford Motor Company

Henry Ford recently said, "The idea of more production, lower costs and higher wages seems just as new and hard to grasp now as it was when I proposed it in 1903 and again in 1919."

The first date marks the year of the Selden Patent suit in which Mr. Ford challenged and defeated the closed corporation that then controlled the automobile industry. It was not the mere fact of control that stirred him, but that the control was used to pile up exorbitant charges, and not to provide transportation at the lowest possible cost.

The other date marks the year Mr. Ford wanted to put some of the profits back into the business. Objection was made by the stockholders. The court ruled that "a business corporation is organized and carried on primarily for the profit of the stockholders"—it rather chills the blood to read that now—and as this was utterly contrary to Mr. Ford's whole philosophy of business, he speedily arranged to put matters on another basis. Since that time, some lines of business have learned the lesson; others have not. The future belongs to the businessman who possesses vision and inspiration enough to leap the gap between the old and the new methods and motives.

"Too Much" Production

The ancient half-truth is resurrected that we have too much production as it is, what we need is distribution. We are told of "warehouses crowded with goods, and no way to distribute them."

Of course, there never were any such warehouses. That is one of those statements someone prints, everyone repeats, and no one tests. But suppose it true. It would simply indicate that the hypothetical goods that filled the imaginary warehouses were manufactured under conditions of cost and charges and profit that made it hard for people to buy—made distribution slow and difficult, and production consequently limited. Under such conditions goods cannot be produced in great quantity, cannot be widely distributed. And that is the reason we have never yet seen sufficient production in this country.

The first necessary step in a crusade to supply the total normal requirements of a nation would be greatly to lower costs and prices; that would enlarge the area of distribution, with a consequent increase of volume. Auxiliaries of production, such as merchandising and financing, would naturally fall into line. Production under these conditions would permit rather than prohibit a wider purchase and use of things. After all, it is production that determines distribution. All the distribution we have now, haphazard as it is, insufficient as it is, is due to nothing but the pressure of the production we have now. What would it not be, if production were doubled?

Only Ideas Lacking

Some also ask, "But where will the money come from?" We have more money now than we have ideas to employ it. Money never starts an idea; it is the idea that starts the money. To create more wealth by producing more goods is not first a money question, but a commodity question. Money always follows our philosophy of commodities. The money will come from the doing of this wise and necessary thing.

This is primarily a matter for manufacturers, not theorists. The first thing is to get the idea that the real business of Business now is to create for the first time a supply of all things needful for our people at a cost that will permit them to flow to our people.

Get the idea. The idea attracts or creates its own means of realization. That is the plain record of economic history.

Post-Scripts

High Finance

THERE is little that bankers on St. James and King Streets can teach a certain young lady, whose financial operations recently came to our attention. She earns a small salary and over a period of time contracted debts with the doctor, dentist, milliners and others. Though desirous of paying, her income was so limited that one or two of her debtors had written off the account. When the banks announced that they would make personal loans, the said young lady made application and was granted a loan. She then got in touch with her creditors and asked how much they would deduct if she paid her account in one lump sum. Without exception they granted her reductions ranging as high as 50% in one case.

"The discounts I received," she reports, "were more than enough to cover the loan charges and interest. In fact, with the balance I was able to anticipate repayment of the loan by about four months."

The Right Spirit

TEN years ago the Diocese of Mayence, in Germany, floated a bond issue in Montreal. Interest payments were kept up until a short time ago when Hitler decreed that no further sums should go out of the country for this purpose. Willing and able to pay its debts, the Diocese was in the position of being a presumed defaulter, because the bondholders could not collect. However, the Bishop of Mayence suggested that if the bondholders were willing to drink up their interest, the wine growers of the district would be pleased to supply it in bottles. The deal was made, involving 16,000 cases. The bondholders may have been thirsty for their interest, but this was too much for them to consume. A deal was made with the Quebec Liquor Commission whereby the wine would be sold through its stores at a commission and the proceeds turned over to a bondholders' committee for distribution to the bondholders. This was carried out, and Hitler, the Diocese, the Montreal bondholders, the Quebec Liquor Commission, and the consumers of the wine all seem satisfied.

Liking the Boss

The Printed Word

Observation over a period of years convinces one that the foundation of good public relations is good employee relations. If a company has 1,000 employees and they begin to mutter because they do not like the boss, or think their wages are too low, or because they fear they may lose their jobs through no fault of their own, trouble is in store for that company—trouble which may not be cured for a generation. There is hardly a human being who is not believed by at least four other people. When 5,000 people begin to talk, the bad news is heard near and far.

This is a season of stocktaking—physical, spiritual and moral. Individuals are wont to look back to see their mistakes and resolve to go forward making fewer mistakes. Company executives likewise see their past mistakes in making and selling. But do they ever study, before they must, the question of mistakes in the treatment of employees and resolve to go forward making fewer such mistakes?

Some do, of course, but many do not. Yet there is reason to believe that if policies as to employees were studied as carefully as are policies as to sales and business promotion generally, there would be fewer instances where a company has thrust upon it the fierce light of publicity for its shortcomings. The company with employees who are content has its public relations problem more than half solved.

Labor agitators make little progress against a company whose employees are wont to say: "It's a fine company to work for." Politicians can make little progress in their attacks on the Big Interests if those who work for the Big Interests are confident because their working conditions are good, vacations are reasonable, sickness insurance provided, group insurance available at low rates and, at the end of a generation of faithful service pensions are automatic and adequate.

Disloyalty will not be absent despite the most generous treatment; we know of one worker who complains because of a slight deduction from his pay for sickness insurance although the firm pays six cents to his four cents. But humans respond to fair treatment, and even more to generous treatment, and the occasional grouser will be enormously outnumbered in any company where there is a policy which merits loyalty.

New Books

Our Paper Industry

NATIONAL DIRECTORY OF THE CANADIAN PULP AND PAPER INDUSTRIES. Edited by J. N. Stephenson. Published by National Business Publications, Gardenvale, P.Q. Price $3.

This directory is by far the most complete publication of its kind in the Canadian market. There is no mill, active or idle, which is not listed. Detailed information is given regarding officers and directors, equipment, power supply, transportation facilities, capacity, products. Manufacturers are also listed by products, while there is an especially valuable list of selling agents. The material is uniformly set out and while, here and there, some companies have not been as generous as others in supplying information, the directory provides an accurate picture of Canada's leading manufacturing industry.

Behind the Scenes

FOURTEEN GUIDES TO FINANCIAL STABILITY. A special study of the financial statements of over 11,000 business firms by Roy A. Foulke, manager, analytical report department, Dun and Bradstreet.

Issued as a supplement to the 1936 edition of the original study entitled "Behind the Scenes of Business" this interesting volume contains in addition to a tabulation of the 14 important financial ratios which measure the position of an industry, a racy and revealing introduction by the author summarizing the results of his exhaustive analysis of the daily ups and downs of thousands of business enterprises in every sphere of activity.

The tabulation itself will be of wide interest to company executives for it classifies under these 14 key ratios, the experience of 60 different lines of business activity of which 35 are manufacturers, 18 wholesalers and seven retailers for each year from 1931 to 1935 inclusive.

Only four of these 60 lines of business show an average profit for each one of the five years. These are, manufacturers of chemicals; of toys and novelties; wholesalers of butter, eggs and cheese and wholesalers of grocers.

Depression Lessons

Apart from the fact that Mr. Foulke puts the average life of a business enterprise at 66 months, the study throws interesting light on the depression lesson as affecting business enterprise; shows clearly the vulnerability of firms which succumbed to the high financing era. In this connection he quotes the experience of one concern which raised $5 millions from the public for an expansion programme.

"During the year of maximum business, the net dollar sales had increased 60% while the investment in fixed assets had increased 250%. In other words, as soon as the newly raised funds had been put into bricks and mortar, boilers and presses, machinery and tools, the depreciation which had to be covered by the operating account had more than doubled. The point which is consistently overlooked in the expansion of plants by the hurricane promoter is this immediate rise in depreciation costs which becomes a fixed charge on the operating account irrespective of any increase or decrease in annual sales."

For a Liberal World

ECONOMISTS AND THE PUBLIC. By Prof. W. Hutt. Published by Jonathan Cape, 91 Wellington St. W., Toronto. Price $4.50.

There is something encouragingly old-fashioned in the spectacle of any modern writer coming to the defense of the ideals of the classical economists. That is what Prof. Hutt does. He says in effect that it is short-sighted and unfair to criticize the liberal, competitive system because it has never been tried. If we are looking for Utopia, let us not hunt for it in the far and exotic places, using strange and distorted maps, when our best guide is to be found in orthodox traditions, now so unpopular.

Prof. Hutt, who occupies the chair of Commerce in the University of Capetown, deals at length with the corruption of economic thought; of the desertion of liberal economics by the literati and the rationalists who should have stood by it and protected it from misrepresentation. For it is misrepresentation of competition, of laissez faire, of all the clear lucid principles of the classical economist that has led to today's confusion.

Most perspicacious are the author's analyses of what he calls "custom-thought" (the impact of traditions and habits on our ideas) and "power-thought" (the impact of our various privileges and advantages on our ideas). How rational reasoning is influenced by habit and privilege is clearly set forth.

An economist's book written for economists, "Economists and the Public" is one that ought to be briefed in 5,000 or 10,000 words by someone with the forceful clarity of Sir Norman Angell, and put in the hands of every politician, every educator and every newspaper editor. This is not to say that it is hard to read. But who in this busy day expects politicians, educators, and newspaper editors to take the time to read even so lucid and clear a document?

In the Mail

(Not over 200 words, please)

Rail Competition in England

Editor, The Financial Post:

Your correspondent "Student" is wrong in supposing that I was trying to show how British experience could be of use in solving Canada's railway problem; I was only trying to show that Professor Jackman (in trying to do this) was making wrong deductions from false information.

In spite of the length of his letter, "Student" does not reply to my challenge to Professor Jackman to mention any important reduction in competition resulting from the amalgamations in Britain. The only reduction in competition that is worth considering has been achieved by agreement between the railways at a later date.

"VERITAS."

Toronto.

As Others See Us . . . .

Capital and Jobs

Canadian Countryman, Toronto

The Financial Post recently contained a very excellent editorial on the relationship between capital and jobs. Nowadays many people seem to have the idea that capital and capitalists are responsible for the economic difficulties this country has experienced during the past few years. They appear to think that if they destroy capital, or limit its earnings to a minimum, a great job would be done for the country. They believe apparently that this is the way to bring back prosperity. The facts, of course, are quite otherwise. The reason the value of farm land sank to such a low level in 1932 and 1933 was because farmers were not getting a fair return on the capital they had invested in their farms, and the reason we have had so much unemployment in our towns and cities is because the capital invested in urban industries was not earning reasonable returns. All the material progress we have made has been based on the accumulation of capital, and we cannot have continued recovery unless conditions are made favorable for the investment of capital.

The Financial Post points out that the Colwyn Committee in Great Britain in 1927 estimated that £400 of capital investment was required to give one man a job. Since then studies by A. E. Feavearyear, a British economist, lead him to believe that £1,000 of capital is required in Great Britain to furnish employment for one person and provide him with a home to live in. In Canada there is about $8,000 invested in industry for every person employed. "It is obvious," The Financial Post explains, "that the long-term solution of the employment problem is intimately associated with the supply of new capital. If we run short of capital we must run short of jobs."

No One Wants War . . .

By WALTER MILLIS,
Author of "The Road to War," writing in Review of Reviews, New York.

In 1914 the European general staffs and foreign offices (and the same could be said of Asia in 1904) were generally in the mood for letting the war come and getting it over with. Today not only the diplomatic, but the military, problem is enormously more complicated than it was in 1914. The military, economic, and social risks of a general war are vastly greater than they seemed to be then; the possible rewards of victory appear much more illusory.

I doubt that one could find the fatalist mood of 1914 ruling in the inner councils of the most militarist of present-day powers, and I think this factor greatly reduces the dangers which on the surface appear to be so great.

I do not think any power today is deliberately preparing a war. Rather, I think the governments are exerting all their ingenuity to achieve their varying ends of national or domestic policy without resort to actual war. The successive crises in Manchuria, Ethiopia, the Rhineland, and Spain show how easily this process may prepare a situation from which no escape save by war is possible; but all are trying to avoid it, and their success so far would incline me to put the chances of a general war in the next 10 years at less than even.

Other People's Views . . . .

Watered Stock

Quebec Chronicle-Telegraph

The efforts of Honorable Mr. Duplessis to remove some of the evils of capitalism, to protect the investors, will be generally appreciated. For years we have fought against the abuse of "watered" stock in our capitalistic structure, which opened the door to many of today's financial troubles and unscrupulous commercial transactions, placing millions of dollars in the possession of individuals who could not earn a dollar in legitimate business. It depreciated bond security values, and it inflated capitalism, so decreasing the shareholders' equity.

For what?

To make some unscrupulous promoters multimillionaires. There can be few objections to "watered" stock when warranted and not abused. It is to this end Honorable Mr. Duplessis is working.

Horse Vehicles Still

Quebec Telegraph-Chronicle

It may come as a surprise to the reader to learn from an Ottawa statement that the production of horse-drawn vehicles in this country is still valued at over a million dollars a year. The horse lover still demands sulkies and light rigs for trotting races and horse shows; business still calls for delivery wagons of certain types; while the farmer and lumberman continue to use heavy wagons and sleighs.

Stop Me If You've Heard This One . .

"She thinks no man is good enough for her."

"She may be right."

"Yes, and she may be left."

Week in Business

December Employment 5.2% Above Last Year

Bureau of Statistics Figures Indicate Swelling of Workers' Ranks by 275,000 — Metallic Industry Chiefly Responsible

Looking over the employment rolls for 1936 some striking changes are seen. On balance, the December figures issued this week show employment generally about 5.2% greater than at this time last year.

In terms of the Bureau of Statistics "sample" this means about 100,000 more people employed by firms reporting to Ottawa. Applying this more generally to the entire working force of Canada an increase of between 275,000 and 300,000 is indicated.

But underneath this general improvement there are important ups and downs. Most striking is the 45% gain in logging employment as compared with the Dec. 1 figure of 1935. The index is now at the highest point since figures were first compiled and indicates almost three men employed for every one busy during the so-called average or normal year, 1926.

* * *

Mining Forges Ahead

Another important group to show further striking gains for 1936 is mining. Here again the index for the past two months has crossed the 150 mark for the first time on record, indicating 50% more employment than during the base year, 1926.

Chiefly responsible, of course, is employment in the metallic mineral industries which in the past two months have touched new high marks with over 280 people employed for every 100 during 1926. The industry as a whole shows a 15% gain in employment for the year as compared with the same figure at this time last year.

Another group to show the highest December figure on record is employment in retail and wholesale trade. The index for the month rose to 136, a gain of 4% over the high point of last year.

* * *

Construction Lags

On the unfavorable side is construction employment which was 16% lower on Dec. 1 than on the same day last year. This index is dependent in considerable measure on the number of men employed on that particular day in highway maintenance and construction. However, the index for building construction alone, receded to the 51 mark compared with 67.3 on the same date last year.

* * *

Foreign Trade Prospects

The outlook for Canadian foreign trade is exceedingly satisfactory, says the current issue of the Royal Bank Monthly letter, if one regards the present small exports of agricultural products as a temporary phenomena. Thus, while in 1929, exports of agricultural products accounted for 46.6% of the total value of export trade, it declined to only 32% of total exports in 1936. To offset this change, however, exports of non-ferrous metals increased from 8.3% of the 1929 total to 22.2% in 1936.

Thus, the bank concludes:

"Moreover, when price readjustment has been carried to a point where Canadian exports are selling at prices in relative harmony with the products of other countries, there will be a major increase in Canadian purchasing power. In the past 12 months these low-priced commodity exports had a value of $967 millions, whereas the aggregate value of imports was only $610 millions. This lack of balance cannot persist indefinitely and the immediate outlook would seem to favor a rise in imports."

Favorable

Carloadings finished the year with a customary seasonal decline but with loadings for the last week of 1936 up 19% over the same week last year. Cumulative figures for the 52 weeks are up 5.4%, with all groups except pulpwood and general forest products showing increases.

On a percentage basis the largest gain was in livestock, up 18.6%. Pulp and paper loadings were 15% higher; ore loadings up 14% and lumber up 12.6%. Coal loadings rose 10.5% and grain 7.6%. Loadings of miscellaneous freight which have risen so spectacularly in recent weeks finished the year up 4% above 1935.

Construction Contracts awarded soared sharply in December due largely to large public contracts for barracks, etc. The increase of over 40% brought cumulative figures for the 12 months to $163 millions, an increase of $2.2 millions over the 1935 total.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
Transportation—	1936	1935	1936	1935
Car loadings (Dec. 26)	▲36,142	30,246	2,478,390	2,351,393
C.N.R. gross earn. (Dec. 21)	$ 3,754,676	$ 3,490,836	$ 180,702,865	$ 168,544,540
C.P.R. gross earn. (Dec. 31)	▲$3,773,000	$ 3,452,000	$ 138,561,000	$ 127,673,000
Business Conditions—				
Weekly index D.B.S. (Dec. 26)	▲116.6	100.9	......	......
	MONTHLY DATA			
Business Conditions	1936	1935	1936	1935
Financial Post index (Nov.)	118.5	106.7	......	......
Transportation—				
C.P.R. net revenue (Nov.)	$ 3,538,651	$ 3,455,408	$ 19,769,303	$ 19,091,510
C.N.R. net revenue (Nov.)	$ 2,383,271	$ 2,329,155	$ 12,227,251	$ 12,091,780
Iron and Steel (November)—				
Pig iron production (tons)	74,337	64,562	610,173	529,147
Steel ingots and castings prod. (tons)	98,534	94,074	1,010,598	836,794
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Nov.)	5,373	5,201	84,620	77,998
Factory output (Nov.)	10,086	12,042	114,766	128,374
Trucks and Buses:				
Domestic sales* (Nov.)	618	814	19,417	17,377
Factory output (Nov.)	726	1,454	27,145	30,848
Exports (Nov.)	5,161	5,601	51,860	59,021
Construction—				
Building permits (Nov.)	$ 3,030,425	$ 3,447,653	$ 36,584,168	$ 44,158,767
Contracts awarded (Dec.)	$ ▲6,118,800	$ 4,364,900	$ 162,588,000	$ 160,305,000
Newsprint (tons)—				
Production (Nov.)	285,771	262,854	2,890,602	2,507,983
Exports, tons (Nov.)	295,832	244,037	2,706,850	2,297,244
Sugar (lb.)—				
Melting & sales§ (raw)	98,015,822	97,102,444	881,511,909	813,173,926
Manufactured§	157,483,110	137,439,534	959,927,834	891,945,739
Flour (bbls.)—				
Production (Oct.)	1,701,267	1,824,754	12,408,090	11,647,780
Wheat flour exports (Nov.)	408,653	525,368	4,374,789	4,437,189
Trade—				
Retail trade (index no. of sales) (November)	76.6	72.5	......	......
Imports (November)	$ 66,169,416	$ 55,958,033	$ 582,194,350	$ 511,745,369
Exports (November)	$ 122,866,120	$ 95,685,286	$ 928,495,289	$ 759,098,557
Wheat exports (bush.) (Nov.)	33,308,840	26,575,296	222,603,614	148,628,829
Employment, D.B.S. Index (Dec. 1)—				
All industries	▲110.1	104.6	......	......
Manufacturing (Nov. 1)	107.7	103.5	......	......
Electric Power Output (Nov.)—				
Total monthly m.k.h. (000's omitted)	2,261,090	2,143,314	23,167,895	21,247,887
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (November)	173,447	121,444	1,496,293	1,228,208
Boot & shoe prod., pr. (Oct.)	1,927,901	1,911,713	18,746,259	18,440,551
Crude petrol., imp. gal. (Nov.)	146,192,036	137,399,424	1,184,094,133	1,119,154,496
Cotton imports, lb. (Nov.)	21,105,486	13,814,244	129,444,442	107,433,529
Raw rubber imp., lb. (Nov.)	9,649,176	9,832,033	60,148,707	54,443,440
Coal imports, tons (Nov.)	▲1,598,094	1,360,058	12,637,744	12,205,440
Finance—				
Bank debits (Nov.)	$ 3,302,562	$ 3,021,511	$ 32,524,015	$ 28,613,763
Bond sales (Nov.)	$ 48,870,271	$ 147,733,500	$1,184,495,796	$ 865,215,890
Life insurance sales (Nov.)	$ 37,813,000	$ 35,158,000	$ 340,215,000	$ 332,836,000
Automobile Financing (Nov.)—				
Used cars	$ ▲1,302,562	$ 1,050,592	$ 23,167,591	$ 16,989,584
New cars	$ ▲1,448,743	$ 1,242,813	$ 27,512,798	$ 21,125,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to November 30.

January
Investment Suggestions

Our January investment pamphlet lists current offering prices of Dominion of Canada bonds and gives helpful information on a number of public utility and industrial issues.

Copies will gladly be sent to investors upon request. Ask for a copy today.

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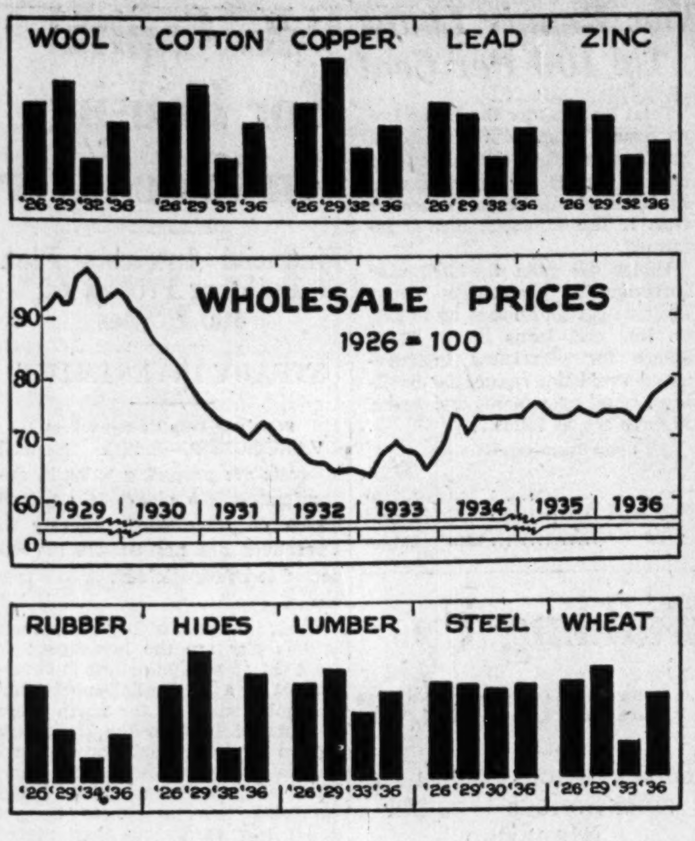

ADVANCE IN COMMODITY PRICES IMPRESSIVE

Armament demand and short agricultural crops threw into relief last summer the extent to which world stocks of basic commodities had been depleted. The subsequent buying to replenish inventories in view of continued business recovery added to the advance in prices primarily noted in military supplies and farm products.

Featuring the most impressive advance in prices as a whole since advent of depression, basic materials in the last half of 1936 rose in many instances to six year highs. Depicted in the chart above are ten important basic commodities showing the 1926 "normal" price level, and, expressed as a percentage of that figure, the 1929 peak, the depression low, and current quotations. In most, prices have shown substantial improvement. In a few, the advance has been less noticeable. Steel, for instance, has shown very little variation; however, December marked the first increase in basic steel prices in more than six years.

U.S. Ruling Aids Canadians In War on Price Cutting

Upholding by the U. S. Supreme Court of the fair trade laws of the states of Illinois and California, which provide for the right of a manufacturer to control the resale price of a trademarked product, may strengthen the hand of Canadian manufacturers in their war against price cutting.

Strong efforts for resale price maintenance have been made in Canada, and as there are many American manufacturers doing business in Canada, it is generally considered the effect of this far-reaching decision by the U. S. Supreme Court will be to extend the control of manufacturers over the disposition of their product by wholesalers and retailers.

Canadian business has had an advantage over the U. S. with respect to this particular phase of business regulation. While our Combines Act throws hazards in the way of a group of manufacturers getting together to maintain a common resale price which might be capable of being interpreted as against public interest, there is nothing to prevent a single manufacturer contracting with his wholesale and retail outlets to maintain a suggested resale price on his trademarked product. There are a number of firms in the Canadian food and drug trades, particularly, which have contracts with wholesale and retail outlets requiring maintenance of the manufacturer's suggested resale prices, on penalty of having stocks of the line withdrawn from them if these prices are not maintained.

In a Quebec Province court, a Canadian manufacturer was given judgment in an action against a retailer who had cut prices. It was based on a breach of contract. There seems some doubt generally, however, as to whether a manufacturer has a very strong legal position in attempting to recover damages on such a contract. He can withdraw stocks, but some resourceful price cutters have such ingenious ways of securing stocks that some Canadian manufacturers establish secret markings on their product so that it is always possible for them to trace the source of supply. They generally content themselves by striking at this source.

New Schedule For U.S. Cars

Revised Price Plan Follows Canadian Practice

An important change in automobile advertising practice has been decided upon by leading makers in the U. S., including Ford, according to Business Week. The change affects the "base" price at which passenger cars are quoted and will have important beneficial effects in Canada.

In the past, an important bone of contention between car buyers in Canada and United States has been the fact that for years custom has decreed that U. S. prices be advertised on the basis of a "stripped" unit at the factory.

To this price it was necessary to add about $35 for accessories, such as bumpers, spare tires and tail lights (without which the car couldn't be bought anyway), $15 for conditioning the car ready to drive, plus additional sums for federal taxes and freight. This brought the actual cost of the car from $100 to $200 above the nominal price quoted.

New Price Basis

From now on, the factory (if it advertises prices at all) will not show the old price which was fictitious but will use the delivered price in the plant city (for instance Flint for Chevrolet, Detroit for Ford and Plymouth). That price will include the former f.o.b. price plus charges for conditioning, for the standard group of accessories and for federal taxes. The buyer then can compute the price of the car delivered at his door by adding to the delivered price at the plant city, the price from there to his own city, plus any state or local taxes. Companies are free to publish local delivered prices if they desire. This is in line with Canadian practice.

One reason ascribed to the new policy is fear on the part of the companies that the Federal Trade Commission may crack down on the old method of advertising which has been considerably criticized. Already, the trade commission has brought to a head its objections to advertising of car financing charges.

Heavy Reduction Seen in Apple Crop of N. S.

Apple shipments from the Annapolis Valley show a heavy reduction from a year ago. Dealers estimate the total shipments from the Valley for the season may not quite reach 800,000 barrels as compared with 1,300,000 last year.

Prices received for apples shipped to overseas markets have ranged several shillings per barrel below last year, and it is unlikely that the value of crop will be more than half of last year.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Jan. 2.

Belgium—Commercial and industrial activity expanded during November with orders for iron and steel at a record figure and coal production advancing; all branches of textiles had large orders on hand, completely reversing the former conditions in the cotton branch; money remained abundant, with returns extremely low.

China—Expenditure of 40,000,000 yuan for railway materials has been arranged by agreement with German interests, to be covered by a bond issue.

Japan—The adverse developments in the Chinese situation and reports of additional restrictions imposed on imports of Japanese goods by several foreign countries exerted a depressing influence on the general business situation; the report of progress in trade negotiations with Australia caused some encouragement; both imports and exports in the first 10 days of December were much more active than in the same period of 1935.

Philippine Islands—Anticipation of a short tobacco crop, owing to flood damage, has raised tobacco prices by about 10 per cent but export shipments have remained slack; weather has been generally favorable in sugar districts and the crop will probably be sufficient to cover export and domestic quotas; the firm United States market for cocoanut oil and unexpectedly small production of copra caused a steady advance in prices and the demand for abaca has also been good.

LAKE ROWAN GOLD MINES
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Both properties immediately adjoin each other.

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Background of Business

Alberta Wholesalers Criticize New Taxes

Don't Like Aberhart's Latest Levies — Hamilton, Ont., Sees Much Expansion in Industrial Building Coming This Year—'Peg Bread Prices Up

Alberta wholesalers are critical of the size of the license fees being charged them under the new provincial code. The present scale of fees is as follows: For wholesale houses with three or less employees, $10; with four to seven employees, $20; from eight to 15 employees, $40, and more than 15 employees $100.

Another grievance is that the fees, payable now, extend only until the end of the Government fiscal year, March 31, a period of four months. It is pointed out that if a man with 15 employees wanted to give another man work, it would mean a tax of $5 per month for the additional employee, as his former fees. The matter was discussed at a recent meeting of the Wholesalers Bureau of the Board of Trade.

* * *

Hamilton Prospects

Industrial expansion in Hamilton, Ont., involving expenditure of over $5 millions in 1937, has been predicted by Mayor W. Morrison.

According to Mr. Morrison the city has been in negotiation with one large manufacturer over the location of an industry costing more than $1 million on the east Hamilton waterfront. In addition Steel Company of Canada has launched a $2 millions expansion project and another plant extension has been started by Dominion Foundries and Steel Co.

* * *

'Peg Bread Prices

Bread prices in Winnipeg rose to 7 cents during December. The former price was 6½ cents which went into effect on Aug. 12. These prices have been those charged by three of the city's large bakeries for bread sold "off the wagon."

Prior to Aug. 12 flour prices are said to have risen 14%; between Aug. 12 and mid-December the increase was a further 6%.

* * *

Tax Allowance

British authorities have for some time been wrestling with the problem of more liberal allowance for income tax purposes in respect of machinery scrapped because it is obsolescent. The idea behind the discussion is that some encouragement should be given to industry to purchase and install new equipment beyond the ordinary allowance for depreciation and wear and tear. This is a subject currently under discussion at Ottawa.

Just recently the Association of British Chambers of Commerce has made a special report to the Board of Inland Revenue. This report, based on many years' study, recommends "a full allowance for machinery scrapped, whether it is replaced or not, as well as more generous treatment of what is commercially regarded as revenue expenditure."

The committee also recommends the need for a simpler scheme of Dominion income-tax relief, and proposes that an enquiry, if possible with the collaboration of Dominion representatives should be instituted.

* * *

Licenses in Vernon

New regulations governing trade licenses for the city of Vernon, B.C., have been approved, and will become effective Jan. 15.

In future, every person who commences a new business must first make application in writing to the municipality on a form provided, stating the business to be engaged in, the intended location, and other details. No person may carry on business at two or more premises at the same time under one license. A number of definite penalty clauses have been written into the act.

* * *

Trade Union Jobless

Unemployment among trade union workers is currently at the lowest point since 1930, according to monthly figures published by the Labor Gazette, Ottawa.

Between May and September volume of unemployment reported by local trade unions in Canada dropped from 15.5% to 10.5%. This new low point has been virtually sustained for the past two months, latest figure (Oct. 31) showing unemployment of only 11%.

At the same time a year ago the corresponding figure was 13.3%.

* * *

Razor Prospects

Men not possessing the required amount in cash are said, from past experience, to be the leading prospects for the new type of electric razors which sell for upward of $15, says Drug Merchandising. This has been the experience of one of the manufacturers of this type of razor in the United States during the last year and a half.

This is a rather curious fact, and it shows that people who can make use of time payment terms to buy something they can't afford to buy for cash, are just as susceptible to the attractions of a luxury item as anyone else. In other words, the man who can pay only 50 cents a week has been found to be the leading prospect to buy a razor of about the most expensive kind. The same thing is to be found in time payment merchandising of many other lines.

* * *

Selling Medicine

Advertising expenditure by the Lydia Pinkham Medicine Company in 1934 represented 82% of gross sales for the year, according to facts brought out in a recent law suit involving the company, says Drug Merchandising. Average expenditure on advertising totalled 48.6% of gross sales from 1908 to 1929 and was said to have produced "long, continued and large profits." More recently much higher proportions had prevailed, namely, 85% in 1930, 79% in 1933 and 82% in 1934, despite the fact that the only deficit in the history of the company occurred in these years.

Quotations from an official report states that "all costs apart from advertising have mounted and now amount to about 30% of gross sales."

* * *

What's a Fair Charge?

Commenting on this situation, Editor and Publisher stated recently, "Of course the Pinkham percentage for advertising is high in comparison with percentages in other industries and even in comparison with percentages of other firms in the medicine industry. Studies published by the Association of National Advertisers have credited makers of proprietary medicines with average advertising expenditure percentages between 33.78 and 41.67."

* * *

Cotton Prospects

The probability that world consumption of all kinds of cotton during the 1936-37 season will be as large or larger than last season was expressed by the Bureau of Agricultural Economics in its current summary of the cotton situation.

The brightest part of the world outlook is the very high degree of activity which characterizes the domestic textile industry. Domestic cotton mills are showing the greatest activity, although prospects are reasonably good for increased mill activity and cotton consumption in Europe and the Orient.

The November estimate of a cotton crop in the United States of 12 million bales plus a world carryover of about 7 million bales indicates a total prospective supply of about 19 million bales of American cotton for the 1936-37 season. This is slightly smaller than last season's supply, is 5% less than the average supply in the 10 years ended 1932-33 and is 17% below the average for the five years ended 1935-36. With no reduction in stocks of Government-financed cotton the total supply of free cotton would be approximately 16 million bales.

The outlook is for a world supply of all cotton approximating 42 million bales. The supply of American cotton in the present season will amount to 46.1% of the total world supply of all kinds as compared with 48.7% in 1935-36 and with the 10-year average of 57.1%.

MATURITIES OF CANADIAN PUBLIC BONDS IN 1937

Our January Investment Letter contains an estimate of the amount of maturing Canadian Government and Municipal bonds during 1937. A copy of this letter will be gladly mailed upon request.

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LIMITED
Business Established 1889
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January Bond Letter

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LONDON, CANADA
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DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid). $2,000,000 Reserve Fund, $2,400,000

Aldred & Co., Limited

announces that

John A. Fuller

has retired as a Vice-President
and Director of the Company

Mr. Fuller has been appointed
Secretary of
Shawinigan Chemicals Limited

Jan. 4, 1937.

"QUARTERLY QUOTATIONS"

— An *Index* to Bond *Prices*

The January issue of our *Quarterly Quotations* is now available. In this publication we give approximate *bid* and *asked* prices on an extensive list of government, municipal and corporation bonds, as well as other information of general interest to investors.

A copy will be gladly mailed upon request.

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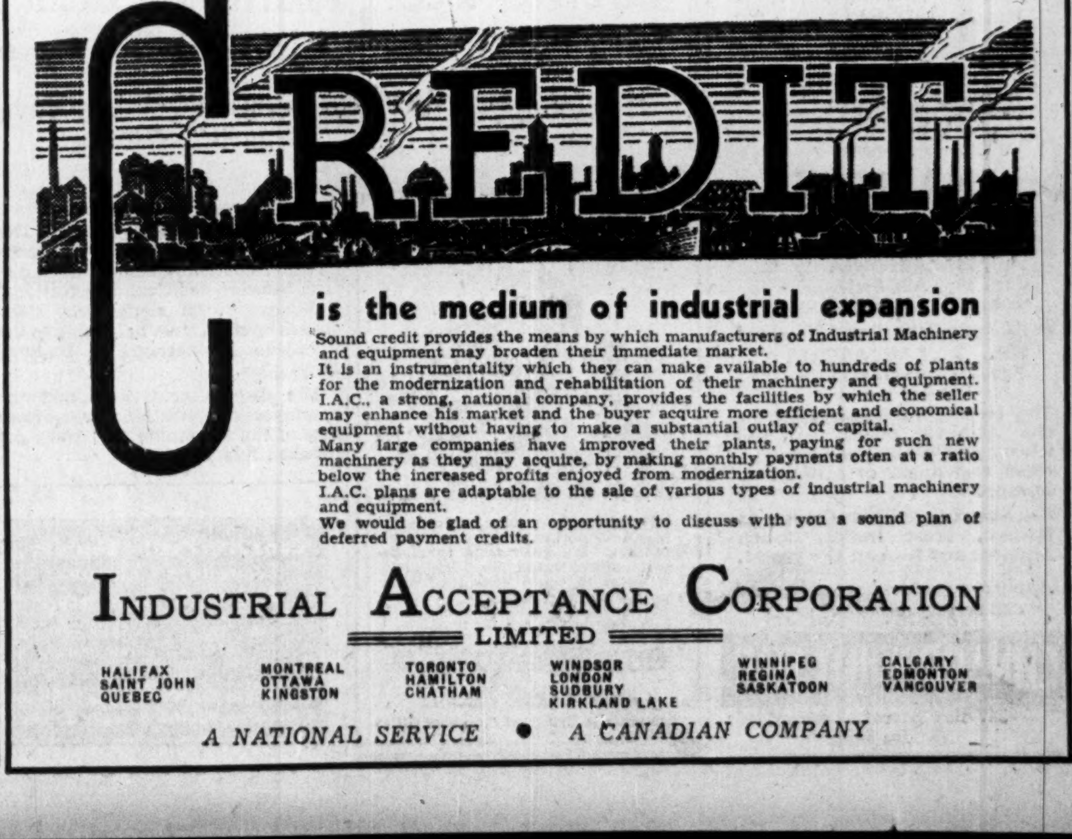
Toronto



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CALGARY EDMONTON VANCOUVER
A NATIONAL SERVICE ● A CANADIAN COMPANY

In The Construction World

AT FIRST glance a gain of less than 2% in total Canadian construction in 1936 looks insignificant. Most other industries advanced considerably more. But total figures in this instance at least, are deceiving.

In 1935 and during the two previous years all types of Canadian governments were literally pumping millions of dollars into construction works in an effort to stimulate employment. Erection of public buildings alone by the Dominion Government in 1935 ran into $20 millions. In addition, there were vast sums spent on wharves, dams, bridges and highways. That sort of building has fallen off sharply in the last 12 months but completely absorbing the loss has been an expansion in privately financed construction.

Residential building gained nearly 20% in 1936 and industrial, largely made up of new factories and extensions, advanced by 45%. In all other lines of private activity there were gains whereas declines ranging well over 50% were registered in construction of public buildings, schools and various government marine jobs. In other words, instead of a large proportion of Canada's building money going into tax creating public works, in the year just closed, the bulk went into wealth creating business. And present indications point to a continuance of this healthy development.

* * *

Home Repair Loans Holding Early Pace

NOTWITHSTANDING the fact that we are now in the dormant season for construction both inside and outdoors, the Home Improvement Plan sponsored by the National Employment Commission continues to maintain its early progress. The scheme got under way Nov. 1, 1936, and during the first month a total of 1,850 loans were made involving over $700,000 or an average of close to $400 per loan. This was slightly more than double both the numbers of loans and the amount involved for the first two weeks of operation.

If home improvements can be sold at this rate during the winter months, when the average person is loath to consider any muss-making interior changes and when outdoor improvement is practically impossible, then it is quite probable that monthly expenditures may easily be stepped-up to several millions next spring. March, April and May are natural construction months and are especially natural to the owner of a home in need of extensive repairs. Some time during these months the house is usually upset in any case with the annual cleaning and the shutdown in heating plants permits replacement of inefficient or worn out units.

* * *

Shortage of Artisans a Potential Danger

A POTENTIAL scarcity of building mechanics and skilled artisans continues to worry the construction industry. Indications are not lacking that any sudden and substantial recovery in this industry would immediately be confronted by a shortage of experienced workers. The ranks of such workers have been seriously depleted since the boom days of 1929. In the slack period following, many younger workers deserted the industry for something more promising. As a result, the natural wastage of men reaching the retiring age has never been replaced. A bulletin issued by the Montreal Builders Exchange states:

> "No compensatory action to train young men to fill the places of those who have departed from the construction field has been taken. How serious the shortage actually is will be known only when the present improvement in building and general construction reaches the point when the demand for skilled men cannot be met. The condition which prevails in Quebec also exists in other industrial centres in Canada, which means that assistance will not be forthcoming from other centres because skilled mechanics are as much in demand there as they are here."

Recently, as reported in The Financial Post, the National Construction Council suggested to the National Employment Commission that building trade apprentices be trained partially at government expense in an effort to build up trained reserves. The suggestion was made that some sort of a combination course be laid out whereby young men desiring to enter the building trade could obtain both practical and theoretical training simultaneously. It was also suggested that night courses in the handling of new construction materials and methods be made available for those older builders who, due to the slack times, have had no experience in handling new products and new methods developed since the beginning of the depression.

Even if this suggestion is acted upon immediately, however, it will not solve the problem of a shortage in skilled artisans for any substantial recovery that may come with the spring. Skilled artisans cannot be turned out on a few weeks' notice.

STEPS UP

J. I. Robinson, director and general manager of sales of Crane Limited, who assumes the office of vice-president, succeeding J. Austin Murphy, who retires after 51 years of service with the company. Mr. Robinson was elected to this post at a special meeting of Crane Limited directors in Montreal.

•The appointment is the culmination of a long and successful career in the plumbing, heating and power plant industry. Born on a farm near Prescott, Ont., of United Empire Loyalist stock, "Jim" Robinson at 18 left the farm for New York to enter the steamfitting trade. Later he was employed as locomotive fireman on the New York Central Railroad, and for a short time worked in the engine room of the Knickerbocker Theatre. Then he went west on construction work through Washington, Idaho and California.

In Jan., 1907, he joined the San Francisco branch of Crane Company and, with the exception of a few months in 1909 and his service with the Canadian Army during the Great War, has been connected with the Crane organization ever since.

Best Year Since 1931 For Canadian Building

Private Construction in 1931 Takes Up Slack Caused By Gradual Government Withdrawal—Outlook Termed Promising

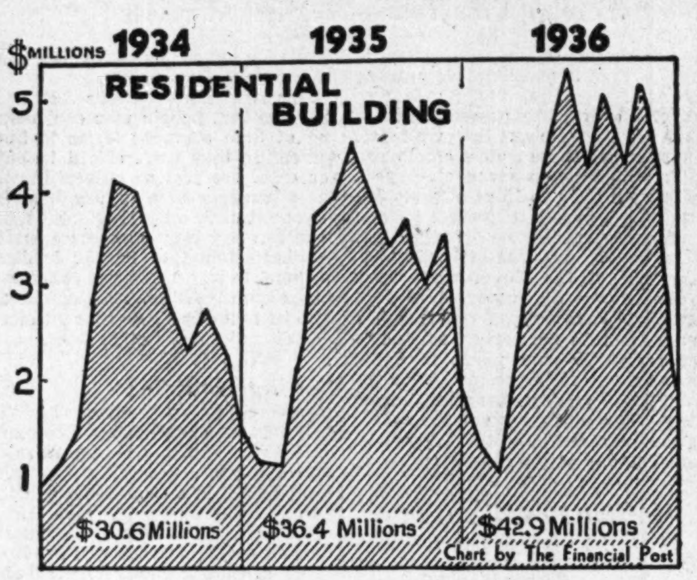

Chart by The Financial Post

Canada has just completed the best construction year since the tail-end of the boom in 1931.

Though only exceeding the previous year by the slimmest of margins, it is generally conceded that in 1936 the first really substantial progress of the last five years has been made because private construction seems finally to have gained the initiative.

An analysis of the figures in the accompanying table, which is based on MacLean Building Reports, will show that there has been substantial expansion in house and industrial building. This sort of construction has been financed almost entirely by private enterprise. It represents new wealth, new investment and in the case of the new factories a continuous and increasing source of new wealth.

Striking Contrast

It is in striking contrast to the shot-in-the-arm type of public building for relief purposes which featured total construction figures during the depression years. Once structures were completed under the latter stimulation they simply created a new and permanent drain for more taxes whereas much of the building in 1936 will provide the continuous wherewithal for meeting taxes.

This recent gain in the field of private building does not mean that the Canadian construction industry has suddenly been restored to full prosperity, but rather that the low point has probably been passed and permanent revival may now be expected. Just how far this industry will have to expand before even normal proportions are reached again is indicated by the following comparison of building totals in the last eight years:

TOTAL CONSTRUCTION

	$
1936	162,588,000
1935	160,305,000
1934	125,811,500
1933	97,289,000
1932	132,872,000
1931	315,482,000
1930	456,599,000
1929	576,651,000

Healthy Recovery

Summarizing 1936 results in the recent special year-end review number of the Montreal Gazette, H. W. Pepper, Ontario manager of MacLean Building Reports states:

"The very fact that construction in Canada during 1936 not only equalled but exceeded the 1935 total by 1.4%, without major direct stimulation by any extensive Dominion Government programme designed to do so, as was the case in 1935, is the best indicator that confidence in the future has increased to the point where expansion in construction is likely to take place rapidly during the next few years.

"Probably the most satisfying feature of the 1936 construction year is that residential and industrial construction, by increases of 17.7% and 45.4% respectively, took up a good portion of the slack in the business buildings group. These are claimed to be good indicators in that industrial expansion takes place through necessity to produce more goods and residential gains as more people buy or rent better housing.

"The continued successful exploitation of mineral deposits has caused very rapid expansion in building in communities adjacent to mining operations. This accounts for considerable new building construction in those areas apart from actual mine expenditures."

Prepared to Risk Investment

Probably the biggest advance registered in the year just concluded has been in public confidence to a point where it is at last prepared to risk hard cash in what must necessarily be a long-term investment. The main favorable factors—need for expansion, low interest rates, firmer rents, and available capital—all were present in nearly as abundant quantities in 1935 as in 1936. But not until the last half of the latter year were these factors translated into the form of building expansion. True confidence has not been fully restored in every province or in all lines. But there has been an advance and the steadily increasing cost of building materials is hastening actual decisions to build.

Provides Impetus

And as construction expands, it furnishes a certain amount of steam for its own propulsion. For every dollar spent on it, it is estimated that 80% goes directly into wages and of the latter a fairly large share must eventually finds its way into further construction. It will go into homes for the workers or into new factories to produce equipment for those homes. This stage has hardly been reached in Canadian building yet, but with any substantial pick-up in the early months of 1937, added to the increase already registered in the last six months, it will become a factor, and one of considerable importance.

It is because of the construction industry's quick ability to absorb large amounts of unskilled and semi-skilled labor that the Dominion Government has largely concentrated on this field in its efforts to stimulate employment. Both the Dominion Housing Act adopted two years ago and broadened this year, and the Home Improvement Plan which came into force last Nov. 1, were developed with the idea of creating new jobs.

	1936		1935		1934		
	No.	Value $	No.	Value $	No.	Value $	% change from 1935
Apartments	185	3,921,100	232	3,249,600	173	1,641,900	+ 20.6
Residences	13,421	38,936,800	11,402	33,158,900	9,962	28,946,200	+ 17.4
Total residential	13,606	42,857,900	11,634	36,408,500	10,135	30,588,100	+ 17.7
Churches	242	2,625,300	201	1,698,400	212	1,827,900	+ 54.5
Public garages	716	2,746,100	611	2,267,600	553	2,280,300	+ 21.1
Hospitals	75	2,127,800	72	2,979,900	71	4,977,900	— 28.5
Hotels and clubs	364	2,031,500	453	2,312,000	382	1,756,000	— 12.5
Office buildings	334	3,149,000	286	1,687,900	261	3,989,300	+ 86.5
Public buildings	477	7,126,200	570	20,243,500	424	7,012,800	— 64.8
Schools	362	4,133,600	364	5,429,200	368	6,161,900	— 23.8
Stores	1,823	6,625,400	1,582	4,374,300	1,317	4,127,000	+ 51.4
Theatres	121	2,516,000	79	1,429,600	66	633,600	+ 75.9
Warehouses	528	4,690,100	455	6,019,800	408	4,713,600	— 22.0
Total business	5,042	37,771,000	4,673	48,442,200	4,062	37,480,300	— 22.0
Total industrial	736	14,973,700	669	10,292,200	624	8,037,900	+ 45.4
Bridges	181	7,751,200	308	3,362,200	167	5,329,800	+130.5
Dams & wharves	126	3,119,400	143	8,557,800	116	2,932,800	— 63.5
Sewers & Water'ms	194	2,515,800	249	3,715,000	313	3,873,000	— 32.2
Roads & streets	700	23,649,200	915	27,421,300	831	24,432,400	— 13.7
Gen. engineering	517	29,949,800	456	22,105,800	486	13,137,200	+ 35.4
Total engineering	1,718	66,985,400	2,071	65,162,100	1,913	49,705,200	+ 2.7
Grand total	21,102	162,588,000	19,047	160,305,000	16,734	125,811,500	+ 1.4

Board Will Hear C.N.R. Labor Case

10,000 Clerks Ask to Have Wage Cuts Restored in Full

From Our Own Correspondent

MONTREAL.—The Federal Department of Labor has set up a conciliation board to deal with the dispute between the Canadian National Railways' 10,000 clerks and other classes of employees belonging to the Canadian Brotherhood of Railway Employees.

The dispute centres around the employees' application for restoration of the remaining 10% wage cut effected five years ago.

The new board, appointed under the Industrial Disputes Investigation Act, will be composed of W. Sanford Evans, of Winnipeg, the company's nominee, and Howard S. Ross, K.C., Montreal, as the employees' nominee. The third member, who will be chairman, will be selected by the other two.

This conciliation board is separate from that recently set up to consider the wage restoration application on behalf of 100,000 employees of both Canadian National and Canadian Pacific Railways who are members of international unions.

Public Utility Earnings

Jamaica Public Service

November	1936 $	1935 $
Gross earnings	74,115	74,346
Operating expenses	43,412	42,177
Net oper. revenue	30,703	32,169
Inc. from other sources	139	......
Balance	30,842	32,169
Interest and amort.	8,567	8,627
Balance	22,275	23,542
12 Months Ending November		
Gross earnings	875,187	856,132
Operating expenses	531,070	507,976
Net oper. revenues	344,117	348,156
Inc. from other sources	237	......
Balance	344,355	348,156
Interest and amort.	103,884	102,955
Balance	240,471	245,201

New Repair Loans Up 100 Per Cent

Total loans under the Home Improvement Plan of the National Employment Commission doubled in the second two-week period since the scheme became operative Nov. 1, The Financial Post is informed.

Under the plan the Dominion Government guarantees banks against aggregate losses up to 15% on low cost loans up to $2,000 apiece for permanent improvements to existing residential dwellings, small apartments and barns. Figures are as follows:

Home Improvement Loans

	No.	Total $
Nov. 1-15	885	330,500
Nov. 15-30	965	379,500
Total	1,850	710,000

Building Up In December

Tops Previous Month Despite Serious Weather Handicap

Construction contracts awarded in Canada for December, as compiled by MacLean Building Reports, amounted to $6,118,800. This was an increase of 40% over Dec. 1935, despite the severe weather that hampered outdoor work early in the month.

Ontario, with $2,338,000 and Quebec with $2,132,200 headed the list. The other provinces in order were: Alberta, $612,300; Nova Scotia, $421,600; British Columbia, $331,000; Manitoba, $140,500; Saskatchewan, $123,200; New Brunswick, $21,000. There were no contracts awarded in Prince Edward Island.

Contemplated work reported for the first time amounted to $14,405,900, bringing the year's total to date to $259,537,600, as compared with $232,960,100 for 1935, an increase of 11.4%.

U.K. Capital For Housing In Vancouver

Financial Interests Plan Building Project of 400 Houses

STEADY INVESTMENT

From Our Own Correspondent

VANCOUVER.—British financial interests are proposing to build approximately 400 moderately priced homes on city-owned property in Vancouver, and negotiations are expected to be completed within a few weeks.

Other instances of British interest in this city are the investment of more than a million dollars in development of a residential subdivision and golf course on the north shore of Burrard Inlet in the Hollyburn section by Lord Southborough and associates; the building of the First Narrows bridge at a cost of about $6,000,000, this project to be got under way early this year; recent negotiation for acquisition by British buyers of the Grouse Mountain chalet and the road connecting it with Lynn Valley and Vancouver. It is understood that the interests seeking the chalet property propose to establish a snow resort for skiers and hikers on Grouse Mountain on a lavish scale.

Moderate Priced Housing

The housing scheme, announced by Mayor G. G. McGeer shortly before relinquishing office, will be concerned chiefly with comparatively low-priced houses, for which the rents will average $20 to $25 a month. There is a real shortage of this class of new houses in Vancouver; in fact, there is a growing scarcity of houses in almost every class, as there has been a steady influx of new residents here from the Prairie Provinces, the east and the United States and other countries.

City Built From News Invades Quebec Forest

Modern Centre Springs from Wilderness to Supply Newsprint for One New York Paper

From Our Own Correspondent

MONTREAL.—At Baie Comeau, more than 200 miles below Quebec City and on the north shore of the St. Lawrence, some $12 millions will have been spent during the next two years on the largest single Canadian development since pre-depression days, according to A. I. Cunningham, managing engineer for the Ontario Paper Co.

The cost of this development is being borne by the Ontario Paper Co. The Baie Comeau newsprint mill, when completed, will not sell its products in the open market; newsprint to be made there will go to serve the New York News, a newspaper associated with the Ontario Paper Co.

The Baie Comeau development involves the use of every form of modern construction, including building of roads, streets, office buildings, residences, warehouses, bridges, tunnels, dams, power plants, ships, railways, docks and piers.

Work on the North Shore project, Mr. Cunningham went on to say, commenced last April. At that time the territory surrounding the sheltered inlet, now known as Baie Comeau, consisted of trees and rocks. In November workers were called in from the various development sites and work was halted, except for minor interior construction, until spring.

Good Progress Made

"In the interval much has been accomplished," Mr. Cunningham reports. "Literally blasted out of a rocky foundation are smooth-surfaced highways leading from newly-constructed docks to the temporary townsite. Through virgin forest paths have been cut for transmission lines to carry power to towns and mills from the 60,000 h.p. plant at Outardes Falls, 16 miles distant. Sewers and water mains have been made, dams constructed to raise the level of Lake La Chasse, the future city's source of water supply and a chlorination plant has been installed. A modern hotel has been completed as well as the paper storage house and several other mill buildings.

"During the winter operations are necessarily restricted since the present town is not sufficiently large to accommodate a large winter population. Next spring, however, the work will go on and in the following year, in June, 1938, Baie Comeau with homes and shops, churches and schools, hotels and parks, will be ready for permanent occupation."

New Industries

Libby, McNeil & Libby of Canada, is planning extensive additions to its productive capacity at the plant in Chatham, Ont., according to the Daily Commercial News and Building Record. Final decision awaits approval of the company's Chicago head office.

* * *

Liquid Carbonic Canadian Corp., Montreal, is carrying out interior alterations to its factory.

* * *

Victoria Square Building, Montreal, is being converted under a bulk contract of $60,000 into manufacturing and warehousing space. The building is a seven-story and basement structure.

* * *

Quaker Oats Co. is building a new $40,000 warehouse in Saskatoon.

* * *

Fleet Aircraft of Canada is erecting a large addition to its plant at Fort Erie, Ont.

* * *

British Columbia Pulp and Paper Co., Vancouver, is completing plans for structural alterations and extensive equipment installations at its pulp mill at Woodfibre, B.C.

* * *

Guelph Cask, Veneer and Plywood Co., Scotstown, Que., is planning erection of a $20,000 veneer manufacturing plant.

* * *

Howard Smith Paper Mills is calling for tenders on a proposed addition to the digester building at its pulp and paper mill near Cornwall, Ont.

* * *

Crane Proprietaries has been formed to manufacture toilet supplies, medicinal, proprietary and pharmaceutical preparations at Aylmer, Ont.

* * *

Sidney Roofing and Paper Co. is constructing a new building to house its Vancouver plant and offices, to be located on Granville Island. The project will cost about $30,000.

Winnipeg Labor Men Seek New Working Laws

A draft bill for a new Manitoba Industrial Conditions' Act, protecting the rights of employees to organize and bargain collectively has been submitted to the Provincial Government by a deputation of the Dominion Trades and Labor Congress of the Winnipeg Trades and Labor Council.

The bill is designed to prevent strikes or lock-outs before conciliation boards are appointed, the proposed act making it possible for the Government to appoint a representative for either employers or employees on a conciliation board when they fail to nominate a representative at the time of a labor dispute.

The deputation also sought to increase the minimum wage for men from 25 to 40 cents an hour, it being felt that since this minimum was established the rate is now becoming the rule rather than the exception. A request that the 2% wage tax be abolished was also proposed. Other proposals include legislation restricting hours of labor in all industries to not more than 40 hours a week or eight hours a day, for stricter regulation of bus and truck competition, for abolition of trailers and level crossings, for free text books to children of needy parents and for minor amendments in the fair wage act.

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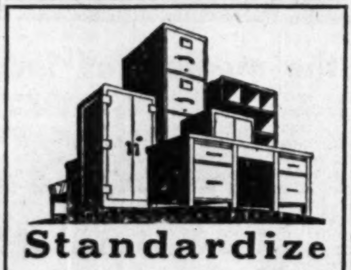

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Physicians warn against neglected conditions which are known to precede the onset of cancer—lumps, unusual discharges, wounds that will not heal, moles and warts that change in size and color, or other abnormal conditions. Continued irritation of any part of the body is often the beginning of trouble.

If your family doctor finds a suspicious condition he presumably will not pass judgment as to whether or not it is cancer until he can get complete scientific confirmation.

Many people who fear they have cancer are worrying without cause. A complete physical check-up which shows there is nothing wrong is a very comforting assurance. Thorough and competent periodic physical examinations may help doctors to discover cases of cancer while there is still time for successful treatment. Should suspicious symptoms appear at any time, see your doctor at once.

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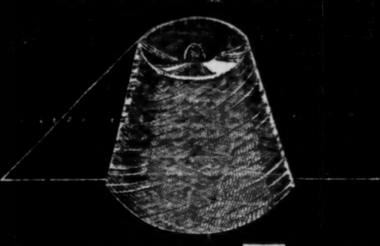

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SECOND SECTION

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Ottawa Organizing to Launch Farm Marketing Scheme

Gardiner Plans New Set-Up For Agriculture Department To Co-ordinate Export Plans

Steady Supply of Canadian Foodstuffs to Hold British And Other Market Aim of New Policy—Drive to Create New Demand Contemplated

From Our Own Correspondent

OTTAWA. — Though only the broadest outlines for a new agricultural sales programme for Canada have been openly discussed at Ottawa, The Financial Post understands that senior heads of the federal department of agriculture are busy working out details.

A continuous supply of high quality farm exports to permanent markets is the objective of the new policy. This is to be accomplished without the compulsory regulations of the recent Natural Products Marketing Act.

As agricultural production in this country naturally varies with the weather and as highly profitable temporary markets often appear in years of scarcity, it is admittedly going to be a difficult job to create a new sales policy that will be satisfactory to all concerned.

Main Export Market

The main export market being considered is that furnished by the United Kingdom. Here for years has been a steady outlet for Canadian bacon and other meat products, live cattle, eggs, cheese, butter, canned goods, fruit and other products of diversified farming.

Britain is also, by long odds, the best export market for Canadian wheat and flour, but Ottawa is not worrying about this commodity until the present Grain Enquiry renders its verdict. In any case wheat and flour occupy a favored place in the agricultural world, being practically non-perishable and having an established world market and price. But the other commodities are largely perishable. They vary widely in quality and also according to the country of origin. In many cases, too, there is a natural season for marketing.

Britain Wants Steady Supply

Great Britain in the past has been an open market for all this type of produce, and while in recent years considerable efforts have been made to stimulate domestic production in the Old Land, it is generally believed a big market will always remain, particularly to produce from within the Empire. But prices paid have often been lower than those prevailing for the same quality of goods in Canada. They have been invariably lower than those received for the same goods in the United States on the somewhat rare occasions recently when that market has been open. Hence the framers of Canada's new agricultural policy face the problem of making sure that Britain gets a constant supply of high quality produce, even when the price is not quite as high as Canadians and Americans are willing to pay for a portion of our production.

Highest Return Sought

The solving of such a problem, in the opinion of those officials who have been studying the situation, is beyond the power of the individual. The owner of a farm in Saskatchewan or Ontario or New Brunswick, is naturally interested in the highest return. But neither United States nor the Canadian domestic market will absorb present Canadian agricultural production nor anything like the production that could be developed. If Canada tried to crowd everything into those two market channels then prices would certainly collapse.

A wider outlet like that of Great Britain is also necessary. And to hold that wider outlet Canada must be prepared to supply it steadily in good seasons and in bad. Otherwise the British are going to turn toward Denmark, the Argentine and the Irish Free State.

To reap the full return from all three main markets offered the Canadian farmer and from any new outlets that may be developed in future a portion of every shipment must be reserved for the main customer in Great Britain.

It was in trying to segregate these various proportions that the late Natural Products Marketing Act struck difficulties. Its plan was to forget about the low priced markets and by compulsory legislation cut down production to suit only the higher priced outlets. There was a considerable outcry all over the Dominion when the various regulations of the N. P. M. A. began to be interpreted correctly. It turned out to be very similar to the Agricultural Adjustment Act in United States, and that did not live long in a country where agricultural exports were of relatively small importance. How it could be made to apply to Canada where these exports are a major factor in commerce was still more difficult.

Ottawa Plan

In the new Ottawa plan, it is believed, the authorities are going to let production control strictly alone. By a new service of marketing and information producers will be kept fully informed of production and prices. They will be able to draw their own conclusions regarding the future profitable trends. They will be encouraged to develop those lines of production for which there is a big demand in Great Britain and which suit Canada's climate, soil and established agriculture.

The federal authorities will probably make themselves absolutely responsible for the quality of any agricultural produce exported. This will mean that all cheese, bacon, dressed or live beef, etc., will be government graded. No isolated shipment will be allowed to interfere with the general reputation. The authorities will likely put on more advertising pressure in Canada's principal export markets and an assessment may be made on the goods sold to provide for advertising expenditures.

Uniform Supply

All this is comparatively simple. The big problem of uniform supply remains. To solve this some sort of a pooling arrangement has been suggested. An export board would be created on which would sit representatives of the producers, processors and possibly, but not necessarily, government departments. This board would determine the destination of the product, making sure that the most permanent customers got a steady supply. An average price for the season rather than a top price for some shipments would be the objective.

It has been further suggested that an average price might be actually paid through the Government financing selling during temporary price declines, this financial assistance to be repaid during temporary rises. The success of any such policy will vitally depend on a board's ability to determine when a market recession is temporary. If the price does not come back for months or years, as was the case with wheat from 1929 until 1934, then the Government financing might become a subsidy with the possibility of alarming loss. It is in the creation of a competent board with necessarily wide powers that the danger lies.

To Reorganize Department

However, the Government is going ahead slowly. Only broad principles of a new policy were laid down at the recent national agricultural conference and the next step, the reorganizing of the Dominion Department of Agriculture is only now being surveyed.

The activities of the department will be brought under three branches with three executive officers:

1. Director of Production.
2. Director of Marketing.
3. Director of Experimental Farms.

At the same time there will be some strengthening of the market's staff of the department. The drought rehabilitation organization is being given a permanent basis as part of the department, with headquarters, presumably at Regina.

Production and Marketing

The division as between production and marketing branches will be drawn at the point where farm products are graded. Up to that point the director of production will be the responsible official. The marketing branch will follow the movement from grading to the consumer.

New marketing legislation will be necessary, but until the constitutional status of the Natural Products Marketing Act has been finally settled it will not be inaugurated.

At present the department is rather loosely and comprehensively organized with the following branches or divisions: General Offices, Dairy and Cold Storage branch, Economics branch, Entomological branch, Fruit branch, Health of Animals branch, Livestock branch, National Livestock Records, Publications branch, Seed branch, Library and Experimental Farms. There is a marketing board under the Natural Products Marketing Act.

Group Offices

The reorganization will group together all offices concerned with the grading, distribution and marketing of farm products. It is proposed to create marketing offices in the United Kingdom and in the United States. Plans are said to involve the return of H. S. Arkell, former livestock commissioner, to the department, and Dr. J. H. Grisdale, former deputy minister.

While Dr. Grisdale was making a survey of the British market last summer, Mr. Arkell was studying the production situation in the West. Dr. E. S. Archibald, present head of the Experimental Farms system, will probably continue to hold this position in the new plan. John Vallance, a former M.P. from Saskatchewan and active in drought rehabilitation during the last year will direct the work aimed at reorganizing the western dry areas.

Plans contemplate the expenditure of larger sums on marketing of farm products and assistance to farmer co-operative producing and distributing organizations. A vote of $300,000 passed last session is available.

A somewhat larger expenditure on the Drought Rehabilitation Act is contemplated. When the act was passed in 1935, $750,000 was voted for the first year and a million a year for four subsequent years. The vote has not been fully used so far, but in 1937-38 a figure of $1,250,000 is likely.

Drought Survey

It has been decided to gather together at Regina comprehensive data regarding the drought areas of the Canadian west and similar information on the drought districts in the United States. Soil and moisture surveys coupled with information showing the ownership and the debt structure of the "dried out" areas are being completed for southern Saskatchewan, south-western Manitoba and eastern Alberta.

This information will be reasonably complete by spring of 1937, when it is planned to hold a conference at Regina at which provincial, municipal, railway, federal and other representatives will be present to map out their programme for the summer.

Abandonment of areas is only to be undertaken as a last resort, and then the intention is to retain the settler in the district with which he is familiar, provided a more attractive farm can be secured. Initiative in abandoning farms is expected to come from dissatisfied or beaten farmers rather than from the Government agencies.

CANADA
Calling
GLASGOW
Canada Calling
DIONNE QUINS
QUAKER OATS
PUFFED RICE
Kellogg's CORN FLAKES
ALL-BRAN

The proposed reorganization of the Dominion Department of Agriculture in preparation for Hon. James Gardiner's new marketing policy will involve, it is understood, the return of H. S. Arkell, former livestock commissioner (left) and Dr. J. H. Grisdale, former deputy minister (right). One of these men, it is believed, will take charge of marketing and the other direct production in Canada. A window display of a Glasgow shop is shown above during the "Canada Calling" campaign to advertise Canadian foodstuffs. The result of the drive carried on by Hon. Vincent Massey and officials of Canada House is described elsewhere on this page. The campaign to date has covered four large centres, Glasgow, Edinburgh, Liverpool and Cardiff.

Drive in Britain Brings New Demand For Farm Produce

Canada Calling Campaign Boosts Canadian Sales 100% in Four Cities

From Our Own Correspondent

LONDON.—The first result of the "Canada Calling" campaign, launched by Canada House in the United Kingdom last October, under the direction of Hon. Vincent Massey, high commissioner, and the Dominion Government, has been to prove that a new market of at least $50 millions per year, quite probably more, is in plain view of Canadian producers of food products—grain farmers, dairymen, fruit growers, fishermen, tobacco growers and others.

The campaign has been under way three months and will not conclude until Oct., 1937. The centres of population covered to date are: Glasgow, Edinburgh, Liverpool and Cardiff. Others to come are Leicester, Birmingham, London, Leeds, Manchester, Belfast, Sheffield, Newcastle, Hull, Southampton, Nottingham, Plymouth and Bristol.

Some 40 million people will be directly touched by Canada's new trade drive whose consumption under the headings already given accounts for imports annually of $190 millions. Of these imports, Canada's share has been less than $45 millions.

Expanding Market

This market is rapidly expanding. The expansion in purchasing power in Britain this year has exceeded $250 millions and much of this is being spent on foods and tobacco.

An obvious point in the campaign has been the restriction of goods advertised as foodstuffs. (Hhe Wheat Board has already launched a separate drive to hold the place Canada has gained in the British market).

Other industries have done their own promotion work successfully in the Old Country but the producers of foodstuffs with no organization behind them have been to some extent left in the cold. Ottawa has undertaken to do for them what they cannot do for themselves.

Trade promotion has been carried on in Great Britain and expenditures approximating $300,000 a year made. These expenditures, however, were often thought to be too haphazard and unplanned. Campaigns had been too ambitious and not sufficiently intense to atract and hold the consumer.

Early in 1936 the high commissioner and officials at Canada House decided that a new start should be made. Highly concentrated drives in the large centres were planned. The aid of wholesalers, retailers and community leaders was obtained and each campaign launched with a special call from Canada—hence the slogan "Canada calling."

Airplanes bearing this slogan have flown above each city. At banquets at which the local Lord Mayor has been guest of honor the transatlantic telephone has brought a message of goodwill from some members of the Ottawa Government.

The campaign proper, occupying a week has been supplemented by six weeks of follow-up work and a periodic check-up thereafter to see that ground gained was not lost. When Canada House pronounces the drive a success it is not expressing an opinion but repeating the message of thousands of cash registers.

Generous Response

The response to the campaign has been so generous as to bring comment in the British press. The Manchester Guardian, on Dec. 20, remarked: "The reports show a remarkable goodwill toward Canada and there can be no doubt that much of it is traceable to the action of the Canadian Government in reducing tariffs on our goods. This is so particularly in Lancashire, where resentment at high tariffs on the goods they make has had immediate reactions in recent times. The Canadians were delighted to find evidence of great goodwill right through their campaign. It would hardly have been so impressive under their late high-tariff Government."

The success of a campaign of this kind depends on four factors.

The products must be of the highest quality and there must be willingness to buy "Canada."

The British people themselves have answered these first two points. In Glasgow, 2,500 retailers co-operated, in Edinburgh 906, Cardiff 950, Liverpool 3,000. This represents 90% of the retail trade in the commodities concerned. Shelves were cleared of Canadian products. Canadian apples had to be rushed from other cities and, in the case of Glasgow, a shipload was diverted at sea to fill the urgent requirements of retailers.

The sale of Canadian foodstuffs in Glasgow and Edinburgh rose by varying percentages in different districts but on average the gain was slightly more than 100%. The Scottish Co-operative Wholesale Society which operates 1,200 shops, reported sales increases of 163%.

In the third place the success of the campaign depends on competitive price levels. While there has been slight evidence of some disposition to edge prices upward as the demand increased such price increases are being heavily frowned on.

Finally to make the Canada Calling campaign of lasting benefit there must be vigorous follow-up work. On this last point the decision lies with the Government at Ottawa.

It is admitted that the full harvest of the campaign could not be reaped. Those engineering it, the wholesale trade and the producers in Canada had not gauged the demand which would follow: All had underestimated the market which could be made available. Wholesalers sought desperately to restock but could not get their orders filled.

Slowness in Delivery

"But for the slowness of delivery we should be doing double the business," writes a Glasgow wholesaler, and his complaint is fairly representative of the wholesale trade in the areas where the campaign has been finished.

In one respect, therefore, this drive for larger markets has succeeded too well—far too well. It has been like the Canadian cavalry brigade on the western front which, at Cambrai, France in 1917, broke through the opposing line but could not be supported. Much better organization by producers and middlemen, it is now realized, is necessary if full advantage is to be taken of the market made available. But, after all, the proving of the market is the all important thing.

Just the same, it is recognized that failure of supplies, after a market has been created, is most injurious. Consumers, once won, must be held.

Resumes This Month

The campaign will resume in January at Belfast. There are still several weeks in which to improve the channels of supply. Also, there is still a chance for producers in Canada who hitherto have overlooked the campaign to get behind it.

In the past two weeks, many letters have reached Canada House from Canadian producers who felt they should have been advised. In most cases, these individuals and companies were sent the "Canada Calling" campaign literature long ago. They probably threw it in their waste paper baskets—forgot about it.

Complete information is available at the Trade and Commerce department at Ottawa and this, it is believed, is the quickest way in which producers can now join this latest crusade in the Motherland for greater markets.

In apportioning credit for what is now demonstrated to be the most successful trade campaign ever staged in these islands, the lion's share undoubtedly should go to the Canada House officials who planned it and supervised it in operation. Mr. Massey has been very active and has been in attendance each time a campaign has been begun.

Hon. W. D. Euler, minister of trade and commerce, Hon. C. A. Dunning, minister of finance, must also be counted as major figures. Both were in London this summer and both were keenly interested.

Now that a sure-fire method of expanding this market has been found, it is regarded as highly desirable that the work should be carried forward and, if possible, enlarged. The vote of $300,000, it is believed, will again be sought from Parliament. A larger sum may well be appropriated, particularly if the campaign is to be enlarged to include commodities as timber, metals, camera equipment, films, etc., electrical products, motor cars and so on.

Apart altogether from the immediate success of the effort, it will be realized that this kind of a campaign lends itself to frequent repetition, almost endless use. In the future, it will not be necessary to hold banquets; the fanfare present in the present drive can be dispensed with. But the retailers and wholesalers have already assured Canada House of their satisfaction with the results obtained and their co-operation can now be counted upon in follow-up campaigns. To do this, of course, will require money votes from Ottawa but it is believed that the Ottawa authorities are fully alive to the advantages to be reaped.

Pacific Battle Advocated!

Imperial Shipping Committee Says Canadian-Australasian Line Must Build Fast, Luxury Vessels to Compete With U. S. Matson Line, But No Subsidy Suggested

From Our Own Correspondent

MONTREAL.—Admitting that the Canadian-Australasian Line, in which the Canadian Pacific Railway owns a half interest, is not in a position to compete successfully with the American-owned subsidized Matson Line in service or speed, the Imperial Shipping Committee recommend to the governments of the United Kingdom, Canada, Australia and New Zealand construction of two new vessels comparable with the existing Matson Line vessels and capable of operating at a speed of 21 knots. Their total cost would be about £2.5 millions.

Further the committee suggests that each ship should sail once a month on a schedule based somewhat on the following: From Vancouver and Victoria to San Francisco, Honolulu, Suva, Auckland, Sydney and Melbourne, returning to and via the same ports excluding San Francisco northbound.

The committee was purely one of enquiry and no suggestion is made as to how this proposed service should be financed or operated. There is no suggestion that the British Government or the Dominions should provide a subsidy or protect the route.

Once Dominated Situation

The report brings out the fact that the Canadian-Australasian Line owns two ships, one the "Niagara" of 13,500 tons gross, launched in 1913, and the motor-vessel "Aorangi" of 17,500 tons gross, launched in 1924. These ships have provided a four-weekly passenger and cargo service between Sydney, Auckland, Suva, Honolulu, Victoria and Vancouver since 1925.

In 1926 the Matsons took over the Spreckles Line service to Australia and operated it under the name of the Matson Navigation Co.

This competitive service was of no special concern to the Union Steam Ship Co., forerunner of the Canadian-Australasian Line, as from 1920 to 1930 it carried about three-fifths of the total "through" passengers from Vancouver or San Francisco to New Zealand and Australia. This situation also applied on traffic moving northward. The Matson Line carried less than one-fifth.

In 1928 the American Jones-White Shipping Subsidy Act was passed and it became obvious that American competition with the Union Steam Ship would become more serious than hitherto.

How C.P.R. Came In

It was at this juncture that Union Steam Ship found a partner in the Canadian Pacific Railway. In his evidence before the committee, Sir Edward Beatty told how this came about:

"The matter was first discussed by the late Lord Inchcape and myself. The motives which impelled us (the C.P.R.) to join with him were of this character: we both felt—in fact we knew—that the United States was planning to become an active competitor on the Pacific; they passed a statute known as the Jones-White Act (1929), which was really a declaration of maritime policy by the United States. Lord Inchcape and I felt that if we joined forces, the use of the Union Steam Ship Co.'s facilities in Australia and New Zealand, combined with those of the Canadian Pacific in the United States and Canada, would give us the best opportunity of competing with the Americans in the event of their entering this field, and also strengthen the route which we felt should be maintained as a British connection. We joined in that view at that time; we formed the Canadian-Australasian Co. and we became partners in it. It is quite true that we (the C.P.R.) gain by any through business that may be developed; we gain on the land and we gain on the Atlantic; but we felt that the route itself justified its existence, and we had then a rather optimistic view of the possible trade developments between Canada and Australia and New Zealand."

C.P.R. Put up £500,000

In carrying out this agreement to meet the competition of the Matson Line, Union Steam Ship and the Canadian Pacific formed the Canadian-Australasian Line Ltd. with a capital of £1 million sterling. Union Steam Ship sold to this company its rights and goodwill as well as the two ships for £1 million sterling. All of the share capital was allotted to Union Steam Ship, in turn controlled by the Peninsular and Oriental. Union Steam Ship then sold to the C.P.R. half of the shares which it had acquired in the Canadian-Australasian Line for £500,000 sterling, the Canadian Pacific meeting this payment by allotting to Union Steam Ship £625,000 4% non-cumulative preference stock, fully paid, in the Canadian Pacific Railway, at a price of 80, which was then the average market quotation.

As the committee points out the only change made at the time to meet the new competition was a closer association with the C.P.R.

Matson Line Expands

Following the passing of the Jones-White Act, the Matson Line began to make itself felt as a competitor in the Pacific trade. In October, 1928, the company secured a 10-year mail contract, under which the company was required to build faster ships to replace the three ships, each of some 6,000 tons, then in service and built in 1900. Accordingly two fast luxury-vessels, each of 18,000 tons gross and a speed of over 20 knots, were built with the assistance of the U. S. Government at a cost of about $16¼ millions. The U. S. Shipping Board advanced $5,850,000 for the "Mariposa" bearing interest at the rate of 2%, and a loan of $5,827,000 for the "Monterey" bearing interest at less than 1%.

The committee points out that on nearly three-quarters of the cost of these ships, there was a subsidy equivalent to the difference between a rate of less than 1½% and the rate at which the money might have been found apart from Government assistance.

With these new and faster vessels, the Matson Line extended its services with results rather unfavorable to the Canadian-Australasian Line. Prior to 1931 the old vessels of the Matson Line took less than one-fifth of the total "through" passenger traffic; since that year their new vessels have carried nearly three-fifths. A somewhat similar story applies to cargo traffic, which is of less importance than passenger traffic.

In its report the committee carefully points out that the important fact to be borne in mind is that the Matson Line has won its present position not by cutting rates, "but by superiority of amenities and speed."

Must Build to Compete

In its conclusions the committee sees little prospect of altering the present state of affairs unless newer and faster vessels are put into service by the Canadian-Australasian Line. Space is devoted in the report to describing the type of ship best suited for the service. The committee favors a continuation of the service, but, as already mentioned, does not make any recommendation as to how the proposed two new vessels are to be financed. Apparently that is a matter for the British and Dominion Governments to decide between themselves, as there is no suggestion that the Canadian-Australasian Line should build the ships without assistance.

The only way to meet the competition of the Matson Line, as indicated in the summary, is to provide a superior service which might call forth traffic on a scale not at present visible. Otherwise a more modest endeavor would not, in the opinion of the committee, alter the present position.

Travellers

Sailing aboard the cruise liner Lady Hawkins, from Halifax last week were **Hon. Frank Carrel**, president of the Chronicle-Telegraph, Quebec; **Robert Cockeram**, Toronto, and **Hon. W. S. Munroe**, Halifax, ex-premier of Newfoundland. The ship is en route to Bermuda, the West Indies and British Guiana, via Boston.

• • •

Hugh Molson, M.P., who has completed a speaking tour of Canada, has left Montreal for Washington, D.C., preparatory to sailing from New York to his home in England.

• • •

Colin Campbell, M.P., M.E. is on a visit to the property of Hudson-Patricia Gold Mines Ltd., of which he is a director. He returns from Sioux Lookout this week.

Income Tax Problems

I recently took back a property upon which I had a mortgage. In addition to the principal and interest owing, I had to pay out several hundred dollars in necessary repairs and improvements. Repairs consist of shingling the roof, carpentry work, painting, decorating, etc. Improvements consist of installing central heating and new bath fixtures.

My problem is how can this be shown in my tax returns? Am I obliged to capitalize the whole thing, or should I capitalize it instead of charging any part as a deduction from 1936 income? How should this be set up for the purpose of showing depreciation from year to year?

All expenditures on the property should be capitalized; those having relation to the building itself should be considered a part of its cost.

Depreciation on the building is an allowable deduction from the rent. If the building is temporarily idle, however, depreciation can still be charged. In any event, depreciation, when claimed, will only be allowed on investment income.

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What We Do:

1. **Give information on Canadian securities to Financial Post subscribers.**
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2. **Answer enquiries on foreign securities.**
3. **Reply by telephone or telegraph.**
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Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

McColl-Frontenac

Please let me have your opinion on McColl-Frontenac Oil common stock.

McColl-Frontenac Oil Co. is one of the three largest oil refiners and distributors in Canada. It has a well established position in the trade, while its net profits over the last five or six years have been on a stabilized basis. In the year ended January 31, 1936, the company showed a net profit available for dividends of $1.2 million. Earnings on the preferred stock amounted to $15.65 as compared with dividends of $6 a share. Income available on the common amounted to $1.16 a share, as against dividend requirements of 80 cents a share. Current reports are that sales are somewhat lower which may affect earnings, but the company should be able to cover its dividend without difficulty.

Canada Northern

I am considering buying a few shares of Canada Northern Power Corp. with the idea of income, rather than appreciation of principal. I would be pleased to receive information on this company.

Canada Northern Power Corp. has recorded expansion in operations and earnings, due to the remarkable growth of the mining areas served by the company. A steady increase in electric revenues has been experienced since 1928 and net earnings have, for the most part, followed this trend. Net profits for 1935 amounted to $1.2 million as against $1.1 million in 1934. After paying all senior charges, earnings of $1.87 a share were shown on the common compared with $1.67 in 1934. The financial position of the company is satisfactory and there is no reason why the current dividend should not be maintained, and possibly increased.

Can. Locomotive

In your recent reply to an enquiry on Canadian Locomotive 6% bonds, you did not state whether the income interest is cumulative. Can you also tell me whether the issue of shares to bondholders in the reorganization was payment of interest or a principal distribution?

Interest on 6% income bonds of Canadian Locomotive Co. is cumulative from Jan. 1, 1934, but is payable only if earned. The company is not in default if interest is unpaid. No immediate payment is in prospect, but arrears now total 18% which must be met before any payment is possible on the common shares.

When the company was reorganized in 1932 there was an accumulated deficit. For this reason, we understand, the distribution of two new common shares per $100 of bonds, should be regarded as a capital distribution, rather than as income. This would probably be satisfactory for income tax purposes, but a definite ruling on this point does not appear to have been made.

Can. Inter. Inv. Trust

I am considering buying some Canadian International Investment Trust common at around $5 a share. Are the prospects for this company favorable?

The rise in security values over the past year has done a great deal to improve the financial position of investment trusts. At the same time the increase or restoration of dividends has added to earning power. Canadian International Investment Trust has shared in this improvement as indicated by the financial statement for the year ended Feb. 29, 1936. In that year gross income at $176,971 was higher than in any year since 1932. After taking care of all charges, there was a balance of $3.29 a share available on the preferred stock, which carries a cumulative dividend of $5 a share. The equity back of the preferred stock increased last year from $55.50 to $95.80 a share. So far the company has not been able to report a restoration of earning power or equity back of the common stock, but the report for 1937 may show a change in this regard. The common stock is still speculative, but if business recovery continues, it is possible that before long a real equity and earning power will be put behind the junior security.

C. S. L.

With the reorganization of Canada Steamships in the offing, do you think that both the common and preferred stock at present prices are attractive enough to warrant purchase?

The proposed plan of reorganization for Canada Steamship Lines is designed to place the company on a basis where present earnings will be sufficient to enable the company to meet all its obligations, including interest on the reduced bonded debt. In drawing up this plan, it has been necessary to make substantial reductions in the outstanding debt, preferred stock and in the equity back of the common. On the basis of reports of recent years, the company should be able to carry on on the new basis. However, some of the preferred shareholders think that the plan goes too far in reducing their equity and it is possible that opposition may be shown at the meeting called to consider the reorganization.

Meanwhile purchase of either the preferred or common stock is necessarily speculative in view of the company's restricted earning power. However, if the plan is approved and earnings are restored to a more normal level, it is possible to establish earning power on the proposed new common stock.

Ford of Canada

Is Ford of Canada paying regular dividends? Are the earnings likely to improve?

Ford Motor Co. of Canada improved its earnings substantially in 1936 and expects to do better on an increase in volume for 1937. Dividends are now stabilized at $1 a share which makes the stock more satisfactory from the investment viewpoint than it was when dividends were irregular. The 1936 earnings were well above the present dividend rate.

M. & O. Bonds

Recently I bought some Minnesota & Ontario Paper bonds at about 55, and I would appreciate your comments on the possibilities for these.

Minnesota & Ontario Paper Co. is in receivership, and a reorganization has been discussed which may be developed fairly early. The company's earnings, excluding a major associate, National Pole and Treating Co., have been barely adequate to meet costs and selling, administrative and general expenses. However, higher prices for newsprint, at the present high rate of production, may enable the company to show some interest earnings available for the bonds eventually.

M. & O. bonds sell somewhat lower than other defaulted paper issues. The reason for this is that the company's earnings have not risen to the same extent as other companies. One of the most valuable subsidiaries, Great Lakes Paper Co., has been lost to M. & O. in the depression and is now owned and operated by bondholders and creditor interests. It is difficult to say just when Minnesota and Ontario Paper Company will be in a position to show something substantial for bondholders, but in 1936 it had considerable improvement even though it remained in receivership. It could probably show better results if the receivership were terminated.

Fanny Farmer

Has there been any indication of a halt in the expansion of Fanny Farmer Candy Shops? Where does it operate?

Fanny Farmer Candy Shops operates in the more populous parts of the United States and the chain has been expanding both its stores and its earnings. There has been no indication of a cessation of this trend.

Brazilian Traction

Would you regard Brazilian Traction as first-grade public utility shares?

Brazilian Traction is believed to have possibilities of continuing cash dividends in 1937, and if economic recovery in Brazil continues it will be helpful to shareholders. While the shares are not ranked as stable among public utility stocks, they are popular on the exchanges.

Royalite Oil

What are the possibilities for Royalite Oil Co. earning its full dividend?

Royalite Oil Company is experiencing good things from new developments in the Turner Valley of Alberta, and its resources are sufficiently large to enable it to pay dividends of $1.50 a share for some years even though net profits may not quite come up to this figure. Meanwhile, earnings should expand if new oil developments continue favorable in Alberta. Otherwise part of the dividend might be regarded as a return of capital.

Queen's Hotel

Is purchase of Queen's Hotel 6% bonds advisable?

Queen's Hotel does not make public its financial position or earnings. However, it is known that bond interest payments are up to date, while the sinking fund and other obligations under the trust deed have been met in full. Some idea of the investment rating of these bonds may be gathered from the fact that the current market quotation is 99-100.

Southern Canada Power

Would you advise buying Southern Canada Power common, considering what may be or is in the air regarding action of the Quebec Government in the power field? Do you consider dividend will be maintained on the common?

Southern Canada Power Co.'s financial statements do not show a very favorable trend as regards the common, due to the fact that the issuance of a large number of preferred shares has limited earnings available on the junior security. Moreover, there is the political situation to consider. Public relations in the Southern Canada Power Co. territory have not been especially favorable in recent years. Added to this is the fact that the new Provincial Government has ideas of the power business which, if carried into effect, may prove injurious to the privately-owned companies. These factors naturally make it difficult to obtain a clear-cut picture as to the future of Southern Canada Power. If the political situation turns out favorably for the company, the continued recovery in business should add to earnings and further strengthen the company's ability to maintain dividends on both its preferred and common stocks.

Laura Secord

Can the dividend on Laura Secord common be regarded as stabilized or is it likely to be increased soon?

Laura Secord Candy Shops obtains about $1 a share of its earnings from its holdings of government bonds, and operates a stable and well-managed candy business largely in Ontario. Earnings are well above the regular dividends of $3 a share, but there is no indication of an early increase in the rate.

Power Corp.

Please let me have your opinion on Power Corp. of Canada common stock.

Power Corp. of Canada is primarily a holding company with large investments in various securities, principally public utilities. The management have adopted a policy of not disclosing information in regard to its investment portfolio, but it is known that the company controls by stock ownership East Kootenay Power Co., Canada Northern Power, North British Columbia Power and has a substantial stock interest in British Columbia Power, Winnipeg Electric, Foreign Power Securities and Southern Canada Power. At the end of last June the company reported an equity of $15.01 a share back of the common stock. This contrasts with $4.53 at the end of June, 1935, and is the largest reported since 1931. Earnings on the common stock in the 1936 fiscal year amounted to 50 cents a share, an increase of eight cents a share over the preceding 12 months. That there has been further improvement in the position of Power Corp. since the close of the fiscal year is indicated by the fact that on Dec. 21, 1936, the company paid an interim dividend of 25 cents a share on the common stock. This is the first payment made by the company since May 20, 1932.

Toronto Carpet Bonds To Be Redeemed at 103

Toronto Carpet Manufacturing Co. Ltd. has announced redemption of its outstanding 6% first mortgage bonds will be made March 1 at 103 and interest. Payment will be made on presentation of the bonds at the Bank of Montreal, Toronto and Montreal.

Rackets

Baker Bubble Bursts

AMONG the flood of Happy New Year's greetings that entered Canada from the United States, came one that sadly dampened the hopes of a large and gullible section of Canada's population. It was a prosaic bulletin from the Chicago Better Business Bureau announcing the explosion of the latest Baker heirs' bubble.

Last week in Philadelphia the Federal Grand Jury indicted 28 persons in connection with the Jacob Baker Heirs Association, described by U. S. postal inspectors as "a huge mail fraud scheme." Among those named in the indictment were Albert P. Baker and Mrs. Albert P. Baker, Pana, Ill.

The scheme was based originally on the imaginary estate reputedly left by Jacob Baker in Revolutionary War days and supposed to be worth between $1 million and $3 millions.

* * *

Philadelphia Business Area

IT WAS claimed that Jacob Baker owned most of the land on which the present business section of Philadelphia is located as well as valuable coal lands in the western area of Pennsylvania.

As a "stake" in the "effort" to recover the estate some gullible wealth-seekers are reported to have paid as much as $9,000 to the promoters, three groups of whom were "working" the public from separated points. Headquarters of these were in Johnstown, Altoona and Pittsburgh, with representatives in other localities. A "branch" was scheduled to open in Chicago but was promptly thwarted by post office officials.

In Canada, frequent plaintive letters to newspaper editors have revealed the ramifications of the racket in the Dominion but with what losses to individuals it is impossible to ascertain.

Jacob Baker's estate actually existed, but it was far below the reported $1 million to $3 millions value. It was finally settled by the administrator appointed by U. S. legal authority in 1919 or 1920. The contributions made since that time by victims who dreamed of sudden wealth have gone entirely to line the pockets of a dozen groups of racketeers.

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Canada Bread Pays Full Rate

Class B Arrears Depend on Bond Payments, Says President

C. H. Carlisle, president of Canada Bread Co., informs shareholders that the company appears able to continue payment of the full cumulative dividends on preferred shares. The annual rates are $5 a share on the first preference and $2.50 a share on the class B preferred.

Mr. Carlisle states that the deferred payments on the class B preferred, which total $2.62½ a share, "will necessarily have to be considered in conjunction with the company's ability to liquidate its bonds."

Commenting on the results for the six months ended Dec. 31, 1936, Mr. Carlisle states:

"The balance sheet as of Dec. 31, 1936, compared with that of Dec. 31, 1935, shows an increase in working capital of $148,968, and a decrease in bonds outstanding of $72,000; $100,000 of the bonds have been called for payment and cancellation as of Feb. 1 next.

"The first six months of your fiscal year shows a satisfactory gain in the sale of your products.

Wheat Prices

"The rapid increase in the price of wheat which affects the price of flour will have a tendency to decrease profits as the prices of manufactured products do not as a rule keep even pace with that of the raw materials. Your company is covered conservatively on raw materials."

Bond Redemptions

Reduction of $172,000 in the total of outstanding bonds would leave some $739,000 outstanding. Redemption of the remainder at 110 would require about $813,000.

In addition to the arrears of $2.62½ a share, the class B preferred stands to participate in dividends with the common stock after 10 cents a share has been disbursed on the common in one year. The participation is eight cents a share on the B for each additional one cent a share on the common. Taking this provision into consideration, last year's earnings were equivalent to $2.87 a share on the B preferred and nearly 15 cents a share on the common.

Great Lakes Pwr. To Pay Dividend

Distribution of $3 a Share Announced—1936 Earnings Higher

Directors of Great Lakes Power Co., Sault Ste. Marie, have declared a dividend of $3 a share on its common stock, payable Jan. 15, 1937, to shareholders of record Dec. 31, 1936.

The initial and only previous payment on this stock (67 cents a share) was made April 15, 1932, common dividends at the rate of $4 a share per annum from 1921 to and including 1931. In addition a bonus of $1.50 a share was paid Jan. 15, 1931, for the year 1930.

Declaration of the common dividend reflects remarkable recovery in earnings of the company as a result of larger power sales to Algoma Steel Corp., greater mining activity in the Michipicoten field and the smelting activities of Chromium Mining and Smelting Co. Net profit of the company increased from $386 in 1933 to $131,665 in 1935, which is equivalent to $2.64 a share.

Indications are that in the year ended Dec. 31 last, earnings will amount to about $5 a share on the common stock. For the nine months ended Sept. 30 last net profit was $151,487, compared with $79,265 in the corresponding period of 1935.

Consumers' Gas Sales Up 1.6%

Reflecting continued improvement in business conditions, Consumers' Gas Co. of Toronto reports that gas sales for the first quarter of its fiscal year, which began Oct. 1 last, were approximately 1.6% higher than in the corresponding period of the previous year. In the fiscal year ended Sept. 30 last, gas sales were about the same as in the 12 months ended Sept. 30, 1935.

The increase in gas sales for the quarter just ended, according to official sources, includes a consistent gain in sales for industrial purposes. The largest industrial consumers are now using more gas than ever before in the history of the company it is stated.

Sales of domestic appliances continue to record substantial gains. The increase for the quarter ended Dec. 31 was 11% over the corresponding three months of the previous year. The increase for the month of December was 20%.

CANADA'S GROWTH

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Mortgage Corporation

HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

Dominion and Anglo Investments Up 40%

Gain Since Last April Gives Big Values For Shares

Developments in the affairs of Dominion & Anglo Investment Corp. since the close of the fiscal year on April 30, 1936, have been marked by an appreciation of over 40% in value of investments and also by substantial improvement in earnings.

Initial quotations for the 13,500 preferred and 10,000 common shares outstanding were posted on the Toronto Stock Exchange this week well below actual break-up value of the shares based on recent market prices.

Value of the company's investments at the close of Nov., 1936, is understood to have been over $2.5 millions, compared with $1.8 million at April 30, 1936. Net assets amounted to over $190 a share for the 5% preferred stock on which full dividends are now being paid although arrears remain at 7½%. Deducting from the assets the $1,350,000 of preferred stock, and 7½% for the arrears, the equity for the common is understood to have been about $113 a share.

Formed in 1928, this investment trust had an initial capital of $2.5 millions but subsequently $150,000 of preferred stock was paid off and cancelled. The trust's assets now have a value in excess of the net capital raised.

The company was financed by Dominion Securities Corp., Toronto, and Grovett & Sons of London, England, who offered units of three $100 preferred and two $100 common shares at $500 a unit. Commission on the sale was ¼% of the capital.

Few Restrictions

Investment management is largely under the direction of H. R. Jackman, secretary of the company. There are no restrictions on the securities the company may hold except that no more than 10% of the assets may be placed in one investment, excepting only Canadian governmental bonds. It is understood that the portfolio can be inspected by shareholders.

One of the chief changes in investments, by which the trust has recovered more than its net capital, was a pronounced swing of its holdings of bonds and debentures into common shares between 1932 and 1934. Major changes in the proportionate holdings at April 30, 1932, 1934 and 1936, are tabulated as follows:

Dominion & Anglo Investment Corp.
Classification of Assets

	1932 %	1934 %	1936 %
Cash, call loans	1.6	1.8	-5.4
Bonds, debentures ..	46.6	15.1	11.0
Preference shares ..	18.4	26.1	24.0
Bank shares	13.3	4.7	3.8
Common shares	18.1	50.1	55.0
Miscellaneous	2.0	2.2	0.7
	100.00	100.00	100.00

Classification of Enterprise
(In Part)

	1932	1934	1936
Financial trusts	3.3	19.7	16.7
Manufacturing	9.3	11.6	14.6
Mining and smelting	2.2	15.2	18.8
Oil	4.2	10.4	10.3
Utilities	14.8	13.7	12.1

It will be noted that between 1932 and 1934 some 31.5% of assets formerly in bonds were liquidated and that common shares increased in about the same proportion to total assets. By 1934, Canadian government bonds were entirely liquidated, before the market for such securities reached its peak. Meanwhile the company has done much better with common share holdings although income has been comparatively small.

European and Asiatic investments have been liquidated and holdings in Great Britain are less than 1% of the total. The last balance sheet shows 62.5% of the funds invested in Canada, 24.9% in the United States and 11.7% in South American securities.

Connors Bros. Sets New Peak Record

From Our Own Correspondent

MONTREAL—Connors Bros., of Black's Harbour, N.B., report a record-breaking 1936 sardine pack, believed to be the largest output of any one sardine canning firm throughout the world in a single season.

In all the company packed 400,000 cases during the past season. Each case contains 100 cans, which in turn hold 3½ oz. of fish each.

The Newsprint Industry in Canada

An Estimate of Earnings of Leading Producers on request.

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MONTREAL

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Some expansion, of course, will be ill-advised. Some Manufacturers and Jobbers will overstep the mark in granting credit, to the peril of their profits.

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Bank Chat

Improvement Loans

BANKERS are quite well satisfied with progress of the home improvement loan programme. The Post is informed that to the end of November — that is, for the first month of lending under the Government-sponsored plan — 1,850 loans had been granted, involving a total of approximately $710,000. The last half of the month saw an increase of 80 loans and $50,000 over the experience of the first two weeks.

As yet, no information is available on the purposes for which the loans have been made. It is understood, however, that this information is being slowly ground out at Ottawa, and details may be expected shortly.

The banks will be more than pleased if the present volume of home improvement leading can be maintained for the next three months or so, after which an intensive, and, it is hoped, effective, spring drive will begin.

* * *

Banks and Branches

STATISTICS published in the December Federal Reserve Bulletin afford a basis for some rather interesting comparisons between the American and Canadian banks. In the United States, there are 15,359 unit banks and 890 banks which maintain, between them, 3,332 branches — a total of banks and branches of 19,581. Canada, of course, has only 10 commercial banks operating some 3,359 branches in the country.

On the face of it, Canada seems "underbanked." But when relative size of population is taken into consideration, the picture is entirely changed. Canada has twice as many banks, in relation to population, than has her neighbor to the south. Across the border there is one bank for approximately each 6,225 people. Here, a bank caters, on average, to about 3,100.

On the other hand, staff of the American banks is 266,458, compared with a conservative estimate of slightly over 20,000 in Canada. In other words, the average American banking office employs almost 14; the average Canadian only about seven. Much of the difference can be accounted for by concentration of head office routine in Canada.

Phipps President Of Imperial Bank

Frank A. Rolph Resigns to Become Chairman of Board

At a meeting of Imperial Bank of Canada board of directors, Mr. Frank A. Rolph resigned as president, and was elected chairman of the board. Mr. A. E. Phipps, the general manager, became president to succeed Mr. Rolph and will continue also the office of general manager.

Mr. Rolph went on the board of the bank in 1919, and has been president since the death of Mr. Peleg Howland in 1930. Born in Toronto, Mr. Rolph has held many offices including chairman, Canadian Manufacturers' Association; president, Board of Trade; president, Royal Canadian Golf Association; and chairman of Canadian War Mission at Washington in 1918.

Mr. Phipps commenced his career in the Bank at Brandon, Man., in 1891, becoming general manager in 1921. In 1929 he was elected to the board of directors. He served as president of the Canadian Bankers Association during the years 1928 and 1929, and is a director of Toronto General Trusts Corporation.

Bank of Canada Weekly Statement

Changes in the balance sheet of the Bank of Canada in the week ended Dec. 30 were relatively small. Note circulation recorded a further increase of $2.1 millions; total deposits and security holdings showed smaller gains.

Balance Sheet

	Dec. 30 $	Dec. 23 $
Liabilities		
Capital paid up ...	10,100,000	10,100,000
Notes in circ.	135,933,192	133,861,404
Rest fund	173,092	173,092
Dep.: Dominion ...	22,362,508	21,067,460
Banks	186,855,903	187,700,256
Other	2,200,826	2,161,025
Total deposits	211,419,237	210,928,741
All other liabs.	3,005,318	3,198,368
Total liabs.	360,630,839	358,261,605
Assets		
Reserve: Gold	179,371,410	179,226,004
Silver bullion ...	2,025,653	2,014,431
Res. in sterling and U. S.	13,055,240	12,179,627
Total reserve	194,452,303	193,420,061
Subsidiary coin ...	143,346	173,425
Investments:		
Dom. Govt. short	62,887,410	62,025,635
Other Dom. Govt.	99,384,491	99,406,132
Total invest.	162,271,901	161,431,767
Premises	370,384	370,384
All other assets	3,392,905	2,865,967
Total assets	360,630,839	358,261,605
Reserve ratio	55.93%	56.09%

Bank of Montreal Names Foreign Superintendent

The Bank of Montreal has announced the appointment of R. E. Knight as superintendent of the foreign department of the bank. Until his present appointment, Mr. Knight had held the position of manager of the foreign exchange department, and now adds to these duties supervision of all of the bank's foreign activities, including its foreign offices.

Mr. Knight was with Parr's Bank for seven years before joining the staff of the Bank of Montreal in London in 1907. He came to Canada a few years later, became assistant accountant at main branch in 1918, assistant manager of the foreign exchange department in 1920, and manager of the latter department two years later.

New Branch Office

Bank of Montreal will open a branch office at Val d'Or, Quebec, on or about Jan. 11. A. D. Devenny will be manager.

Bank Debits Move Higher

Reflect Improving Business and Higher Price Level

Financial transfers in the form of bank debits totalled $3,302.6 millions in November, 1936, an advance of $281.1 millions over the same month in the previous year. This 9% gain is attributed chiefly to greater business and speculative activity and to a higher level of prices.

All sections of the Dominion, with the exception of the Prairie Provinces recorded improvement. Quebec led the way with an increase of 23.9% over Nov., 1935, British Columbia was next in line with 17%, then Ontario with 15.6% and the Maritimes with 1%. A sharp decline in Winnipeg debits was responsible for a 25% decline in the total for the Prairies.

In comparison with the previous month, November debits eased slightly, the decline after seasonal adjustment being 3.8%. Here, too, all areas but the Prairies registered gains, the Maritimes, Quebec, Ontario and British Columbia ranking in that order.

Cumulative Comparison

In the first 11 months of 1936, debits showed a gain of 13.7% over the same period in 1935, with all economic areas recording improvement. Of the 32 reporting clearing houses, 28 participated in the increase; the four exceptions are located in the Prairie Provinces. Percentage gains by areas are as follows: Maritimes, 9.8%; Quebec, 21%; Ontario, 12.4%; Prairies, 3.7%; and British Columbia, 24%.

Debits to Individual Accounts

	November 1936 $	November 1935 $
Maritime Provinces—		
Halifax	37,568,062	37,895,868
Moncton	8,545,908	8,342,193
Saint John ..	17,033,819	16,281,704
Total—Maritime Provinces ..	63,147,789	62,519,765
Quebec—		
Montreal ...	986,604,022	801,906,427
Quebec	94,884,687	70,200,574
Sherbrooke .	6,474,144	6,113,506
Total—Quebec	1,087,962,853	878,220,507
Ontario—		
Brantford ..	8,495,220	7,926,861
Chatham ...	9,918,557	10,143,803
Fort William	6,204,113	4,504,572
Hamilton ...	52,301,379	58,395,634
Kingston ...	6,112,947	5,195,632
Kitchener ..	11,135,327	10,178,641
London	31,280,411	35,490,739
Ottawa	168,193,026	121,748,770
Peterborough	5,826,261	5,623,665
Sarnia	6,067,558	5,959,213
Sudbury ...	6,659,079	5,635,655
Toronto	1,154,946,225	999,209,468
Windsor ...	36,661,908	30,921,837
Total—Ontario	1,503,801,011	1,300,934,490
Prairie Provinces—		
Brandon ...	2,645,465	2,477,839
Calgary	55,976,587	63,886,975
Edmonton ..	35,554,542	31,778,513
Lethbridge .	3,932,020	4,521,380
Medicine Hat	2,263,790	2,459,481
Moose Jaw .	7,212,459	5,531,451
Prince Albert	2,237,007	2,134,750
Regina	45,253,169	48,122,583
Saskatoon ..	11,605,141	10,581,818
Winnipeg ...	305,800,856	458,447,911
Total—Prairie Provinces ..	472,481,036	629,942,701
British Columbia—		
N. W'minster	5,885,814	5,736,723
Vancouver .	139,786,014	121,498,968
Victoria	29,496,128	22,657,963
Total—British Columbia ..	175,167,956	149,893,654
Total for Canada	3,302,561,645	3,021,511,117

Weekly Bank Clearings

	Dec. 31 1936 $	Change year ago %	Dec. 24 1936 $
Halifax	1,801,571	—4.0	2,588,095
Saint John ..	1,531,854	+5.2	2,112,714
Moncton	624,079	—5.5	894,282
Sherbrooke .	515,607	—11.9	638,107
Quebec	4,301,028	+6.1	5,651,066
Montreal ...	93,278,710	+10.8	126,638,551
Ottawa	15,122,615	—67.1	20,748,618
Kingston ...	425,574	—22.4	610,696
Peterborough	498,535	—26.3	695,231
Toronto	111,143,128	+4.6	163,731,071
Hamilton ...	3,869,128	+8.1	5,646,286
Kitchener ...	943,122	—18.7	1,343,028
Brantford ...	726,165	—20.3	1,213,964
London	2,256,039	—27.2	3,288,165
Chatham	483,734	+1.6	958,097
Windsor	3,660,744	+12.3	3,547,831
Sarnia	308,761	—14.0	598,343
Sudbury	890,690	+6.1	1,160,834
Fort William	553,721	+1.2	907,686
Winnipeg ...	36,515,667	—11.2	58,437,168
Brandon	268,247	+5.2	401,042
Regina	4,158,047	+25.1	5,497,814
Moose Jaw ..	483,656	—13.8	733,609
Saskatoon ..	1,176,158	—16.4	1,667,153
Prince Albert	297,360	—6.2	405,693
Edmonton ..	3,378,068	—10.5	4,912,180
Calgary	4,382,565	—15.8	7,274,706
Medicine Hat	187,852	—28.0	248,708
Lethbridge ..	373,267	—3.0	602,735
N. W'minster	594,679	+8.0	......
Vancouver ..	16,452,668	—5.1	23,559,137
Victoria	1,484,939	—3.6	......

Monthly Bank Clearings

	Dec. 1935 $	Dec. 1936 $
Halifax	9,688,776	10,953,410
Saint John	7,346,210	8,151,323
Moncton	3,406,979	3,706,626
Sherbrooke	2,643,595	2,726,461
Quebec	19,221,593	23,982,811
Montreal	409,463,364	536,513,041
Ottawa	90,111,372	97,255,751
Kingston	2,459,363	2,524,566
Peterborough	2,925,585	2,859,976
Toronto	514,601,337	622,322,242
Hamilton	18,449,796	22,882,595
Kitchener	4,842,890	5,134,613
Brantford	4,041,313	4,424,817
London	12,802,645	13,301,259
Chatham	2,467,941	3,136,002
Windsor	-11,326,617	15,305,253
Sarnia	3,726,002	2,336,463
Sudbury	2,643,595	4,603,533
Fort William	2,844,533	3,439,743
Winnipeg	232,411,701	200,986,444
Brandon	1,297,984	1,567,982
Regina	17,267,543	20,352,322
Moose Jaw	2,625,972	3,086,936
Saskatoon	6,692,788	6,803,595
Prince Albert	1,422,656	1,642,838
Edmonton	17,248,091	18,911,685
Calgary	27,516,794	26,964,613
Medicine Hat	1,199,244	1,023,987
Lethbridge	2,381,228	2,288,000
New Westminster .	2,523,025	3,004,576
Vancouver	71,652,290	92,415,721
Victoria	7,083,640	8,263,559

Yearly Bank Clearings

Year Ended Dec. 31	1935 $	1936 $
Halifax	112,710,681	119,545,816
Saint John ...	84,059,113	90,730,398
Moncton	35,753,000	37,250,484
Sherbrooke ..	28,659,155	29,959,127
Quebec	209,012,322	222,901,257
Montreal	4,582,416,573	5,386,188,857
Kingston	26,779,593	28,025,967
Peterborough	31,325,062	32,347,673
Toronto	5,720,065,081	6,465,263,740
Hamilton	197,844,548	236,422,873
Kitchener	50,414,984	54,834,963
Brantford	41,207,595	45,356,164
London	134,707,964	145,222,921
Chatham	22,192,630	25,865,402
Windsor	115,902,542	142,249,058
Sarnia	23,082,010	23,754,497
Fort William .	30,651,099	37,944,014
Winnipeg	2,622,557,766	2,925,627,890
Brandon	15,020,604	16,394,775
Regina	191,995,407	218,683,822
Moose Jaw ...	27,283,900	31,587,919
Saskatoon ...	74,956,723	77,033,722
Prince Albert	18,437,203	17,814,604
Edmonton	199,411,079	197,922,175
Medicine Hat .	12,995,361	12,367,706
Lethbridge ...	23,963,854	24,005,892
N. Westminster	27,463,691	32,166,195
Vancouver ...	781,264,535	953,566,363
Victoria	79,007,806	87,484,888

Reciprocal Case Upset by Court

The order which placed in bankruptcy the Manufacturing Lumbermen's Underwriters, a Kansas City reciprocal exchange which has written a substantial amount of insurance in Canada, has been set aside by a United States District Court decision. The exchange has been declared solvent.

The court held that the reciprocal is not a corporation and therefore is not entitled to become a voluntary bankrupt.

"We think each subscriber is engaged in the business of insurance and we think the attorney-in-fact certainly is engaged in the insurance business, but we do not think the association as an entity is so engaged," the opinion states. The decision was so sweeping that an appeal is not considered likely.

The judgment, which grants the appeal of the Missouri superintendent of insurance and some of the subscribers of the exchange, serves to place the Missouri insurance department in full control of all assets.

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Great-West Life

I would like to know the high and low price for Great-West shares in the past 10 years, also the rate of dividend paid during that period. Is this stock a good investment for a long hold?

The price range of Great-West Life shares on the Winnipeg Stock Exchange show a high point in 1929 of $800 and a low point in 1932 of $225 per share. The present bid and asked prices are between $360 and $375 respectively, compared with a high point for 1936 of $396 bid, achieved last February. Looking back 10 years to 1925-26 the stock seems to have risen from about the $300 mark in 1925 to a high of $435 in 1926. From then on it rose fairly steadily to its 1929 peak with a subsequent decline until 1933.

Our records show that in the years 1925 to 1927 inclusive the stock carried a dividend of 20%, plus a special cash bonus of 10% in 1926. From 1928 to 1930 inclusive the rate was 30%, which was cut to 27½% in 1931. The stock has been fully paid up since July, 1916.

As to whether or not this stock offers good possibilities for a long hold, the general comment might be made that life insurance shares as an investment are something of an enigma. Perhaps alone of all important companies in which there is investment interest, the information as to earning power of an insurance company is so meagre as to be almost non-existent. With one or two exceptions, no company even publishes a proper profit and loss statement, their annual reports being confined to a mere recital of income and disbursements.

Then, too, these companies, in spite of the fact that there is a public interest in their shares, are extremely reticent about any figures bearing on their financial position other than those disclosed through their balance sheet and income account at the year-end.

For example, it must be obvious that Great-West Life, which has a considerable investment in western farm mortgages, has been very considerably affected by the recent debt settlement plan in Saskatchewan and by recent Alberta legislation. In the case of Saskatchewan, this has probably been advantageous in that it has cleared the books of many accounts for which provision had doubtless been made in earlier years. On the other hand income from these investments must undoubtedly have been reduced.

Then, too, the steady decline in interest income on high-grade securities must have reduced the company's earning power, yet, whether this trend is at its peak or whether it will still continue and be further aggravated is difficult to tell. On the favorable side, of course, the improvement in farm purchasing power due to higher prices for wheat and other products together with improved quality of crops must have increased interest income and permitted some return on old accounts.

Unfortunately, information on developments such as these, which have a definite bearing on the company's position and earning power, are not readily available.

What can be said is that leading companies in this field, such as Great-West Life, have had an excellent record of performance in past years and once there is a general resumption of insurance buying it is reasonable to suppose that their shares will again be a profitable investment, particularly as the margin required to pay substantial shareholder dividends is very small in relation to total income.

Staff Changes

The Bank of Toronto has announced the following change in staff:

I. G. WEYLIE, formerly of the staff at Meyronne, Sask., to be manager there, succeeding R. H. F. McBRIDE.

The Royal Bank has made the following appointments:

J. G. BROWNLEE, formerly manager at Barton & Wentworth, Hamilton, to be manager at Avenue Rd., Toronto.

C. B. YOUNG, formerly manager at Kingsville, to be manager at Sault Ste. Marie, Ont.

V. U. HEMING, formerly manager at Avenue Rd., Toronto, to be manager at Queen and Close, Toronto.

G. B. BROWN, formerly manager at Queen and Close, Toronto, to be manager at Waterdown, Ont.

New Licenses

The Eagle Fire Co., of New York, has been granted a certificate of registry by the federal department of insurance authorizing it to transact the following classes of insurance: fire; automobile, excluding insurance against liability for loss or damage to persons or property caused by an automobile; inland transportation; and, limited to properties insured against fire, falling aircraft, earthquake, tornado, hail, sprinkler leakage, limited or inherent explosion and civil commotion.

E. M. Whitley, Toronto, has been appointed Canadian chief agent.

$100 Millions Advance Seen In Life Totals

G. D. Finlayson Warns of Effect of Alberta Legislation

That life insurance in force in Canada at the end of 1936 will show an increase at least $100 millions over the amount in force at the end of 1935 is the estimate made by G. D. Finlayson, Superintendent of Insurance, Ottawa.

New business written is estimated by Mr. Finlayson to be 2% to 3% higher than the 1935 total.

Expects Forward Move

"There can be little doubt that a great forward movement is to be looked for in the next few years," says Mr. Finlayson. "Any disappointment which exists as to the prospect for the future arises from the comparison of the present figures with those of the year 1929 when business in force passed the $6 billions mark for the first time, and without regard to the longer backward view which is always necessary in appraising the significance of economic changes.

"Considering there will be about $6,350 millions in force in 1936, compared with $2 billions in 1919 and $3 billions in 1922, also, the fact that there is every evidence of an undiminished interest and confidence in life insurance on the part of the public there can be little doubt that a great forward movement is to be looked for in the next few years."

Effect of Alberta Laws

The drastic effect of recent Alberta legislation respecting private and municipal debts and obligations is referred to by Mr. Finlayson when he says:

"It can be unequivocally stated that if the 1936 debt legislation of this province were copied by all or even the larger provinces it would mean the insolvency of every life insurance company in Canada and would place in jeopardy the security provided for their dependents and their own old age by the thrift and foresight of millions of Canadian people.

May Disturb Dividends

"What the full effect of that legislation will be and the extent to which its effects can, or should, be in respect of the policyholders in that province, cannot be fully estimated at the present time. It must be remembered that probably 85% of the life insurance business in Canada is written on the participating plan and heretofore dividends on that insurance have been maintained at a uniform rate as between the different provinces of Canada.

"Such a uniformity is justified on the assumption that the burden of taxation upon the companies is uniformly applied and that the rights of security holders are uniformly respected, and it would be a misfortune if these assumptions became no longer possible and the uniformity of dividend distribution should be disturbed."

Life Insurance In Action . . . . .

The Financial Post continues this week its thumbnail sketches of life insurance "in action." This week's story is taken from the files of London Life Insurance Co.

The Post welcomes similar illustrations from the files and records of individual underwriters and companies. Simply address your story to the Insurance Editor of this paper.

A prominent citizen of Montreal, head of a well-known manufacturing concern and a firm believer in life insurance, took out two London Life policies in 1924—one for $20,000 payable to his wife, the other for $10,000 payable to his sister. In the following year he secured another $20,000, naming his wife as beneficiary. In 1929 he became interested in business insurance and purchased two policies totalling $35,000, both payable to his firm.

In May, 1935, he was forced to undergo an operation for the removal of his left kidney. His condition remained serious and after an illness of almost a year he died on April 18, 1936.

Fortunately, his three personal policies with the London Life contained the income disability provision. As a result he received during his illness $4,000 of disability income and the waiver of premiums amounting to $1,908.50. Then he died and his beneficiaries were paid a total of $77,018.27. Thus the policyholder and his beneficiaries received from the London Life the huge sum of $82,926.77.

Royal Names Glover For Toronto Position

Allan F. Glover has been appointed assistant manager of the Royal Insurance Co., at Toronto. It will be recalled that Mr. Glover's retirement as Canadian manager of the "Royal" and "Liverpool and London and Globe" groups was announced some six weeks ago. The official announcement from the company reads: "The Royal Insurance Co. Ltd., announces with much pleasure that Mr. Allan F. Glover's restoration to health has permitted his resumption of duties in the service of the company and that as from Jan. 1, 1937, he will occupy position of assistant manager at the Toronto branch."

Finlayson Sees Hope of Cut In Rates for Fire Insurance

If the favorable fire loss experience of recent years is maintained this year, fire insurance rates may be substantially reduced.

Such is the prediction of G. D. Finlayson, federal superintendent of insurance, in a survey of the fire and casualty insurance business in Canada. "The outstanding feature of the year 1935 in the fire and casualty fields in Canada," states Mr. Finlayson, "was the unusually low rate of fire loss and the continued high rate of automobile loss. The experience of 1936 will show a continued favorable experience in fire insurance, although not perhaps quite so favorable as in 1935.

Ratio Under 40%

"A number of large fire losses in the latter half of the year will go to spoil what might otherwise have been a record for recent years, but it is fully expected that the loss ratio will be less than 40% as compared with 36.25% in 1935; 40.91% in 1934; 52.81% in 1933 and 64.33% in 1932.

"If this forecast is realized the average ratio for the five-year period then closing will, for the first time in recent years, fall below 50%. Should the favorable experience continue in 1937, it should be possible for the public to secure substantial advantages by way of decreases in rates.

"The fire insurance premiums received in 1936 will be approximately the same as those for 1935, although there will no doubt be a substantial change in the percentage of the total premiums received by the various groups of companies and underwriters operating in Canada.

"The volume of fire insurance premiums written is not a safe index of business recovery, especially in a period of low fire losses. At such a time competition among the various underwriters has a tendency to force down the rate of premium, and this reduction may more than counteract any increase in the volume of insurance written.

"Concessions in rates are constantly being made, particularly in the more highly protected risks. Such a tendency is greatly in the public interest, as it gives encouragement to property owners to improve their risks by better attention to the principles of construction and the installation of preventive appliances.

"The experience for automobile insurance, which is the most important of the casualty classes, will probably not differ greatly from that of 1935, in which year the loss ratio was 54.38% of the premiums written. It is a regrettable fact that as the construction of automobiles becomes more efficient, the control by the persons to whom their operation is entrusted shows an opposite tendency."

Life Meetings Start Jan. 12

The open season for life insurance company annual meetings will shortly be here. In Winnipeg, Western Empire Life will start the procession with its annual meeting called for Jan. 12. This is a change from previous years, the meeting usually being held considerably later in the year.

In Toronto, North American Life will start the ball rolling on Jan. 18—followed in the same week by Imperial, National, Canada, London, Manufacturers.

A partial list as compiled by The Financial Post follows:

Company	Date	Place
West. Empire	Jan. 12 (Tues.)	Winnipeg
North Amer.	Jan. 18 (Mon.)	Toronto
Imperial	Jan. 20 (Wed.)	Toronto
National	Jan. 20 (Wed.)	Toronto
Canada	Jan. 21 (Thurs.)	Toronto
London	Jan. 21 (Thurs.)	London
Manufacturers	Jan. 21 (Thurs.)	Toronto
Confederation	Jan. 26 (Tues.)	Toronto
Crown	Jan. 26 (Tues.)	Toronto
Excelsior	Jan. 28 (Thurs.)	Toronto
Equitable	Feb. 1 (Mon.)	Waterloo
Great-West	Feb. 2 (Tues.)	Winnipeg
Mutual of Can.	Feb. 4 (Thurs.)	Waterloo
Sun	Feb. 9 (Tues.)	Montreal
Sovereign	First week in Feb.	Winnipeg
Dominion	Feb. 12 (Fri.)	Waterloo

Can. Investment Buys U. S. Stocks

Additions Are Made to Portfolio—More Shares in Canadian Group

From Our Own Correspondent

MONTREAL.—Canadian Investment Fund's total net assets, with securities valued at market amounted to $4,625,000 as at Oct. 19 last. This contrasted with $3,491,316 at the beginning of 1936. Part of this increase was due to an increase in the outstanding share capital.

During the period from Jan. 1 to Oct. 19, 1936, the company made a number of changes in its investment portfolio. The changes had to do with common stock holdings and, it is noted, that whereas at the end of 1935 all common stocks were in Canadian companies, the list as at Oct. 19 includes eight American common stocks.

The American stocks added to the investment portfolio include General Electric, Chrysler, General Motors, Dupont, Sherwin-Williams (U.S.), Union Carbide, Montgomery-Ward and Loew's Inc.

There were no sales of Canadian common stocks during this period, but holdings in nine companies were increased. An increased number of shares is shown for Canadian Bronze, Steel of Canada, Smelters, International Nickel, Noranda, British American Oil, International Petroleum, Hollinger, Lake Shore and National Breweries.

Edmonton Board Obtains Lower Insurance Rates

Insurance on properties administered by the Edmonton public school board were recently renewed at a substantial reduction in rate. In the three years ended 1936, the cost had been 75 cents per $100 with 84% of the insurance with "board" companies, 12% with "non-board" joint stock companies, and the remainder with mutuals.

The new contracts call for a rate of 58 cents per $100 by the board companies, whose share has been cut to 80%, and 45 cents per $100 by the other groups. Value of properties insured exceeds $3 millions.

United States
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TORONTO

London Life Adds Dividend

All Industrial Policyholders Now Included — Extend Paid-up Additions

Important extensions to industrial life contracts are announced for 1937 by London Life Insurance Co. to celebrate the fact that 50 years ago the company began to issue industrial insurance.

These changes involve a granting of permanent paid-up additions to all industrial policies 11 years or more in force and the granting of five-year dividends on all Standard industrial policies.

New Dividend Plan

Dividends to industrial policyholders were first introduced in 1929 to be payable on and after the tenth year. Five years later (namely 1934) holders of the company's Super-Service industrial policies were granted quinquennial dividends starting at the end of the fifth year. It is this five-year dividend policy which has now been extended to holders of the company's Standard industrial policies as well as Super-Service policyholders.

The new plan has also been made retroactive so that it applies to all policies issued since the beginning of 1924. Some 200,000 industrial policies will receive dividends in 1937, it is stated.

Paid-up Addition

The amount of permanent paid-up additions announced by the company ranges from 15% on policies issued between 1887 and 1912 down to 1% on policies issued in 1926. The paid-up addition is payable over and above the customary mortuary bonus which remains at 10% after the tenth year the policy has been in force.

Detail of the quinquennial dividend scale (which now applies to all the company's industrial policyholders) show a distribution for 1937 ranging from a maximum "premium credit" dividend of 120 weeks for policies issued prior to 1902 down to a 10 weeks credit for policies issued in 1932. On policies issued in intervening years, the credit is as follows: policies issued in 1912—80 weeks dividend credit; 1917—60 weeks; 1922—40 weeks; 1927—20 weeks.

Lower Prices Seen as Road To More Jobs

Farm Observer Blames Labor Costs in Part for Unemployment

By C. W. PETERSON,
Editor, The Farm & Ranch Review, Calgary

Discussion in The Financial Post of the wage question is most encouraging. It indicates a somewhat belated tendency to examine economic fundamentals.

The direct and indirect cost of human services represents an average of 85% of the retail prices we pay over the counter and for services. It is clear, therefore, that the wage level dominates the general price level, which again dominates volume of consumption, production and employment.

Labor's Position

The fact that labor is admittedly the strongest and best organized group in the economic battle makes it essential that it should, in its own interests, intelligently study the whole situation. Group advantages are temporary only and in the end there is a rough sort of economic justice meted out in our social system. The preferred position which labor has gained for itself is, today, being paid for in terms of unemployment.

Labor has not played the game during the depression. The wage level from 1913 to 1935 has increased 75.4% while agricultural prices have remained about the same.

The opinion, 90% sound, that prices must rise to break the depression has ignored the problems of agricultural countries which are unable to influence the world price of their major production and at the same time are under the heel of an industrial system bent on maintaining the highest wages and price levels.

I do not for a moment suggest that industry, by the mere act of lowering the labor cost in production, could always meet in full the prices at which goods could be consumed in normal volume. There are, of course, rigid overhead costs to be considered. There is, nevertheless, a habitable middle ground between the full measure of perfection and the existing state of chaos. To the extent that prices could be lowered, sales would be increased and the overhead spread over a larger production, creating a sufficiently increased volume of employment to reduce our problem to manageable proportions. That should be the immediate objective.

The clear implication is that some groups or classes are robbing others. As a matter of fact, all urban classes have for several years exploited agriculture. The farmer receives too little for his labors or, in other words, pays too much for the goods and services of other classes.

What Canada needs is application of a fair basis of exchange and employment and distribution of income will take care of itself. Our paramount and sole problem should be to bring wages and prices in line with the value of agricultural products.

C. M. A. to Discuss Ontario Merit Rating

A special general meeting of the members of the Ontario division of the Canadian Manufacturers' Association will be held in Toronto, Jan. 7 to discuss and if possible approve recommendations for merit rating under the Workmen's Compensation Board of the province.

A brief description of the proposed plan of rating is outlined by J. M. McIntosh, secretary of the Ontario division as follows:

That each employer whose cost ratio experience for the next proximate adjusted year is 60 cents or less, per $100 of premium paid shall pay a preferred rate; that employers with other cost ratio experience for the same period shall for each three-cent cost ratio or part thereof above 60, pay an additional 2% of the preferred rates. The total rate to be paid in any one instance will not exceed 200% of the preferred rate.

Such a method of rating it is believed could be adopted without legislative changes in the present act.

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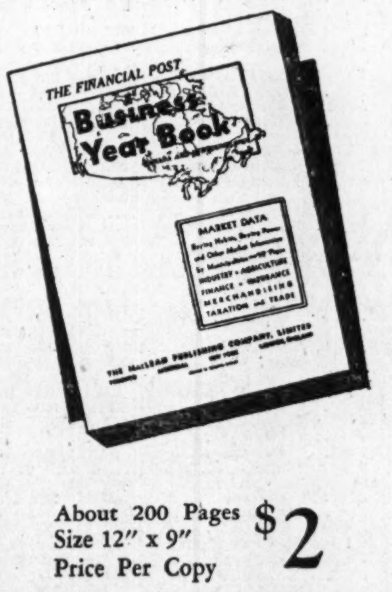

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JANUARY 4

Range 1936 High	Low	Div R'te $	Jan. 2 Y'ld %		Sales	Last Dec. 28	Week end. Jan. 4 H	L	Cl'se
				A					
7	1¼	•	...	Abitibi	122470	5¼	7⅞	5	7¼
42¼	6¼	•	...	Do. pref. 6%	13760	35	40	34	42¼
77¼	48	•	...	Do. pref. 7%	70	60¼	70	67	70
41	6¼	•	...	Do. cert. dep.	2100	34	43	34	43
5¼	4¼	10c	...	Acadia Sugar	50	5	5¼	5¼	5¼
21	14¼	50c	2.8	Acme Glove	16	18	18	18	18
100	94	6.50	6.9	Do. pref.	1	94¼	94	94	94
10	7¼	40+20c	7	Agnew Surp.	390	8¼	8¼	8¼	8¼
110	100	7	6.5	Do. pref.	5	107	107	107	107
6	2	•	...	Alta. Pac. Gr.	475	4¼	4¼	4¼	4¼
39	19	•	...	Do. pref.	550	27¼	30	28	29
54¼	54¼	•	...	Aluminium	....	(54¼ Sept. 24)			
6	2	•	...	Amal. Electric	10	6	6	6	6
29	14	•	...	Do. pref.	10	26	29	29	29
40¼	29¾	60+40c	.	Amer. Cyn. B.	200	34	35¾	35¾	35¾
56	51¾	3.50	6.4	Ang. C. Tel., p.	3	54	55	55	55
120	17¼	•	...	Asbestos	2538	117	118	109	109
15	9¼	60+25c	.	Assoc. Brew.	665	11¼	12	11	11¼
110	103	7	6.4	Do. pref.	....	(110¼ bid — asked)			
8¼	7¼	•	...	Assoc. T. & T. A	....	(— bid 8¾ asked)			
57¼	34	66c	...	Do. pref.	....	(— bid 59 asked)			
				B					
60	51¼	2.25	3.8	Bank of Canada	182	59	59	57¼	58
143	133	8	5.6	Bk. Can. Nat.	21	142	143	142	143
222	182¼	8	3.6	Bk. Montreal	174	220	221	219	219
317	271	12	3.8	Bk. N. Scotia	80	310	317	312	314
260	220	10	3.8	Bk. Toronto	19	254¼	260	250	260
13¼	4¼	75c	...	Barcelona	....	(4 bid 9 asked)			
18¼	10¼	•	...	Bathurst Pr.	11805	17¼	18¼	17¼	18¼
8	3	•	...	Do. (B)	2357	7	8	6¾	7¼
4¼	1	•	...	Bawlf Grain	130	2¼	4	3	4
38	20	•	...	Do. pref.	35	33¼	27	26¼	26¼
5	2¼	•	...	Beath & Sons	100	4	4¼	4¼	4¼
20	9¼	•	...	Beatty Bros. A.	1190	16¼	20	16¾	20
107	96	6	5.8	Do. pref.	35	102¼	104	103	104
7¼	1¾	•	...	Beauharnois	5782	6¼	7¼	6¼	7¼
110	97¼	4	4.1	Belding Cort.	....	(107 bid — asked)			
145	126¼	7	5.4	Do. pref.	....	(126 bid 135 asked)			
160¼	140	6	3.7	Bell Telephone	442	159¼	159¾	158	159¼
59	30	2+50c	..	Biltmore Hats	35	58	59	58	58
110	109	7	6.4	Do. pref.	30	110	110	110	110
5	3	•	...	Bissell, T. E.	....	(4¼ bid — asked)			
50	33	•	...	Do. pref.	....	(35 bid 50 asked)			
5	2¼	•	...	Blue Ribbon	10	4	4	4	4
36	27	2	6.2	Do. pref.	....	(34 bid 35¾ asked)			
28	26	32½c	..	Brant. Cord. pf.	....	(26¼ bid 26½ asked)			
18¾	9¼	40c	...	Brazilian Tr.	22122	18	18¾	17¼	18¾
8¼	7¼	1♦	...	Brew. & Dis., n.	366	8¼	8¼	8	8
4¼	1¼	•	...	Brewing Corp.	14510	2¼	3¼	2¼	3¼
18¼	10¾	1.50	11.1	Do. pref.	1670	13¼	15¼	13¾	15
9	5	30c	5	Bright, T. G.	....	(6 bid — asked)			
82	75¼	6	7.9	Do. pref.	....	(75¼ bid — asked)			
27¾	16¼	80c	3.5	Brit. Amer. Oil	9905	22¾	23¼	22¼	23¼
22¼	8	•	...	B. C. Packers	235	19	19	18	18
39	28¼	1.60	4.1	B. C. Power A.	1540	37¼	39¼	37¼	39¼
11¼	3¼	•	...	Do. (B)	3041	8¼	11¼	9¾	11¼
16	7	40c	5.3	Bruck S. Mills.	1155	8¼	8¼	7¼	8
58¼	33	1.40+50c	.	Building Prod.	916	56¼	57	56	56¼
9¾	6¾	•	...	Burry Biscuit	100	7¼	7¼	7¼	7¼
75	51	3	4.6	Do. pref.	....	(60 bid 75 asked)			
47¾	37¼	2	4.6	Burt, F. N.	200	44	44	43	43
				C					
120	120	•	...	Calgary Power.	....	(120 Sept. 28)			
86¼	74¼	6	7.8	Do. pref.	....	(75 bid — asked)			
8¾	4¼	•	...	Canada Bread	595	8¼	8¼	8	8¼
104¼	90	5	4.8	Do. pref.	....	102¼*bid 104 asked			
51	30	62½c	..	Do. pref. B.	40	50	52	51	52
10¼	6¼	40c	...	Canada Bud	580	8¼	9	8	9
16¼	6	•	...	Canada Cement	14188	13¾	16¼	13¾	16¼
105	58	•	...	Do. pref.	1836	101	105¼	101	103
69¾	57	1.50	2.2	C. & D. Sugar	165	67¼	68	68	68
b30¾	10¾	•	...	Canada Dry	26700	27¾	30¾	27¾	28
20¼	3	•	...	Can. Forg. (A)	50	19¼	19	19	19
14¼	2	•	...	Do. (B)	20	14	14	14	14
50	30	•	...	Canada Iron	....	(30 bid — asked)			
60	51	3	5.3	Do. pref.	108	56	66¼	66¼	66¼
37¼	30¼	1.50+50c	.	Can. Malting	645	35	35¾	34¼	34¼
29	22¼	1.20	4.3	Can. Nor. Pr.	1105	26¾	28	26	27¾
112¼	107¾	7	6.3	Do. pref.	10	112	110¼	110¼	110¼
93	80	3	3.4	Can. Packers	95	87	87	86	87
118	105	•	...	Can. Paper, pf.	....	(112¼ bid — asked)			
2¼	1¾	•	...	Can. Paving, pf.	40	..	2¼	1¾	1¾
160	120	8	5.4	Can. Perman.	12	148	150	149	149
14	14	•	...	Can. Starch	....	(24 bid — asked)			
95	95	7	7.4	Do. pref.	....	(99 bid — asked)			
3¼	1	•	...	Can. Steamsh's	380	2¼	2¾	2	2¼
15¼	5¾	•	...	Do. pref.	760	6	7	6	7
27¼	19¼	1.20	6	Can. Vinegars	460	19¾	21	19¼	21
60	20¼	•	...	Can. W. Cable.	....	(— bid 65 asked)			
22	9	•	...	Do. (B)	136	20	20	18	19¾
116	98¼	2.75▲	...	Do. pref.	8	115¼	116	116	116
4¼	2	•	...	Can. Bakeries	....	(4¼ bid — asked)			
62	40	•	...	Do. pref.	25	60	61	60	60
191	148	8	4.3	Can. Bk. Com.	345	187¼	186	181	184
61	31	1+75c	...	Can. Bronze	1085	60¼	61	60	60¼
108¼	101¼	5	4.6	Do. pref.	....	(107¼ bid — asked)			
9¾	4	•	...	Can. Canners	170	8¼	8¼	8	8
105	88¾	6	6	Do. 1st pfd.	15	102	100	100	100
12¼	5	•	...	Do. 2nd pfd.	363	11	11¼	10¼	11¼
21¾	5¼	•	...	Can. Car & F'y	13265	20¾	21¼	20	20¼
30	13	•	...	Do. pref.	6932	29¼	30	29	29¼
31¼	25¼	40c	...	Can. Celanese	490	26	26	25	25¾
130¼	112	7	5.5	Do. pref.	55	126	126¼	125	125
22	18	•	...	Do. Rights	....	(21 bid — asked)			
32	21¼	2	6.2	Can. Convert.	40	30	32	32	32
58¾	48	4	6.8	Can. Cottons	....	(60¼ bid — asked)			
106¼	97	6	5.7	Do. pref.	5	105	105	105	105
50	37	2+1	6.7	Can. Dredge	175	45¼	45	43¼	44¼
101	98¾	6	6	Can. Fairb. pf.	....	(101 bid — asked)			
34	23¼	1.60	6.4	Can. For. Inv.	....	(— bid 26¼ asked)			
107¼	105	8	7.6	Do. pref.	....	(105 bid — asked)			
205	150	5	2.4	Can. Gen. Elec.	....	(209 bid — asked)			
10	7¼	50c	...	Can. G. Inv.	40	9¼	9¾	9¾	9¾
75	26	•	...	Can. Hyd. El. p	321	72¼	74¼	72	73¼
12¼	6¼	•	...	Can. Ind. Alc.	5797	7¼	7¾	7	7
11¼	5	•	...	Do. (B)	820	6	6¼	6¼	6¾
225	221	4.25	...	Can. Indust. B.	....	(222¼ Sept. 21)			
5	1	•	...	Can. Int. I. Tr.	130	4¼	5	4¾	5
91	35	2.50		Do. pref.	....	(93 bid 95 asked)			
23	19¾	1	4.8	Can. Lt. & Pr.	....	(21 bid 25 asked)			
25	1	•	...	Can. Locomo.	605	20	20¼	18	19
b3¼	1¼	•	...	Can. Marconi	6200	1¾	1¾	1¾	1¾
18	11¼	50c	3.6	Canadian Oil	705	14	14¼	13¾	14¼
142	120	8	6.6	Do. pref.	....	(123 bid 126 asked)			
15¾	10¾	•	...	Can. Pacific	40229	14¾	15¼	14¾	14¾
4	¾	•	...	C. Pr. & Pa. In.	453	2¼	5	2¾	5
12¾	4¼	•	...	Do. pref.	20	12¼	20	20	20
16¼	1¼	•	...	Can. Vickers	1875	12¼	15	11¼	14
68	12	•	...	Do. pref.	60	60	60	60	60
30¼	24	1.25	...	C. Wallpaper A	....	(— bid 29 asked)			
32	24¼	1.25	...	Do. (B)	50	30	31	30	30
80¼	64	2	3.1	Can. West'ho'se	....	(65 Dec. 2)			
3¾	2	•	...	Can. Wineries	300	2¼	3¼	2¼	3¼
26¼	21	1.50	...	Can. Wire Box.	15	24	24	24	24
9¾	4¾	•	...	Capital Estates	261	9¾	9¼	9¼	9¼
104	100	5	4.8	Carnation, pfd.	75	104	104	103¾	103¾
11¼	2¼	25c	...	Catelli Food	1	8¼	8	8	8
15	10	75c	...	Do. pref.	30	10	10	10	10
165	150	8	5.3	Cent. Can. L'n.	....	(150 bid 195 asked)			
1.60	.75	•	...	Chem. Research	1050	1.30	1.30	1.25	1.25
3¼	1	•	...	City Gas & El.	410	1¼	2	1¼	1¾
.75	.15	•	...	Claude Neon	475	.40	.45	.40	.45
15	12¼	96c	...	Coast Brew.	398	13¼	13¼	13¼	13¼
15¾	5¼	•	...	Cockshutt Plow	33525	11¾	15¾	12	15¾
4.50	.60	•	...	Comm. Alcohol	1630	3.50	4.00	3.75	4.00
23	15¾	80+20c	.	Cons. Bakeries.	340	20¼	21	20¼	20¼
11	2	•	...	Cons. Paper	43385	8¼	11	8¾	12¾
13¼	5	•	...	Cons. Press	....	(12¼ bid 13 asked)			
45	32	•	...	Cons. Sand, pf.	....	(42 bid — asked)			
81	51	50c+$1	..	Cons. Smelters.	2725	80	81	79¾	80
209	189	10	4.9	Consumers' Gas	132	205	205	204	205
91	78	7	7.9	Corr. P. Box, p.	20	89	89	88	89
27¼	17¼	80c	3	Cosmos Imp.	175	26¼	26¾	26¼	26¼
106¼	102	5	4.7	Do. pref.	....	(104 bid — asked)			
21¼	15	80c	4.4	Crown Cork	10	17¼	18	18	18
2¾	1¾	•	...	Crown Dom. Oil	....	(1¼ bid 1¾ asked)			
56	30	7	...	Crow's N. Coal	36	50	50	49	49
				D					
4	2	•	...	David & Fre. A	80	3	3	3	3
1.25	.50	•	...	Do. (B)	15	1.00	1.00	1.00	1.00
21	2	•	...	De Havilland	15	17	17	17	17
72	40	•	...	Do. (A)	....	(55 bid 67 asked)			
5¾	3	•	...	Disher Steel	....	(4 bid 8 asked)			
16	7¼	•	...	Do. pref.	....	(12 bid 16 asked)			
34¾	18¼	•	...	Distill-Seagram	5360	27¼	27¼	26¼	26¾
94	94	•	...	Do. pref.	10	94	94	94	94
235	190	10	4.2	Dom. Bank	1	235	234	234	234
..	..	•	...	Dom. Ang. Inv.	....	(60 bid — asked)			
..	..	•	...	Do. pref.	....	(70 bid — asked)			
58¼	32	1.20	2.1	Dom. Bridge	1710	55	57	53¾	57
22¼	14	1.50	...	Dom. Coal, pf.	1791	20¾	21¼	20¼	21
65	26¼	•	...	Dom. Engineer.	28	60	65	59	65
80	32	•	...	Dom. Foundries	....	(86 bid — asked)			
116	106	5	4.3	Dom. Glass	50	110¼	115	112¼	115
155	135	7	4.7	Do. pref.	....	(145 bid — asked)			
40	33	•	...	Dom. Oilcloth	....	(42 bid — asked)			
102¼	95	7	6.8	Dom. Rubber, p	....	(100 bid — asked)			
13	3¾	•	...	Dom. St. & C.B.	22138	11¼	14¼	11¼	14
12¼	8	•	...	Dom. Stores	2064	11¾	11¼	10¼	11
16¼	4¾	•	...	Dom. Tar & Ch	2330	14¼	16¼	14¼	16
110	57	•	...	Do. pref.	153	108	112¼	106¼	111
79	60	5	6.8	Dom. Textile	160	73	73	73	73
150	143	7	4.7	Do. pref.	....	(— bid 148 asked)			
17¼	4¾	•	...	Donnacona P.A.	23041	14¼	17¼	14¼	16¼
16¼	2¼	•	...	Do. (B)	1565	13¾	16¼	13¼	15¾
15	4¾	•	...	Dryden Paper	2455	13¾	15	13¼	14¾
				E					
2¼	1	•	...	East. Koot. Pr.	5	2¼	1	1	1
16	5	•	...	Do. pref.	....	(11¼ bid 13 asked)			
4¼	1¼	•	...	East. Dairies	50	2¾	2¼	2¾	2¾
21	8¼	•	...	Do. pref.	80	17	18	17	18
20	10	1	...	East. Steel	50	18¼	18¼	18¼	18¼
108	80	7	6.6	Do. pref.	....	(106 bid 109 asked)			
85	72¾	7	8.7	East. Theat. pf.	....	(— bid 84 asked)			
5¾	1¼	•	...	Easy Washing	205	4¾	5	4¾	5
35	20	1	...	Economic Inv.	20	33	35	35	35
28¼	19¾	1.60+30c		Electrolux	690	24	24	23¼	24
6	1	•	...	Enam. & Heat.	905	4	5¾	4¼	5¾
7	5¼	•	...	Equitable Life.	25	5¼	6	6	6
40	10¼	•	...	Eng. Electric	20	33	31	31	31
19¼	4	•	...	Do. (B)	40	14¼	14¼	14	14¼
7	7	60c	...	European El. A	....	(— bid 12 asked)			
.35	.15	•	...	Do. Warrants	....	(.35 bid — asked)			
				F					
9¾	7¼	•	...	Fairchild Air.	4435	8¼	9¾	8¼	9¼
25	18	60c	...	Fam. Players	5	25	27	27	27
20	14	60c	...	Do. Vot. Tr.	....	(23 bid — asked)			
24¾	13¼	50+37½c	.	Fanny Farmer	2490	21¾	23¾	21¾	23¼
28¼	18¾	1	4.3	Ford Motors A.	5627	21¼	23¼	21¼	23
3.00	.65	•	...	For. Pr. Secs.	30	1.75	1.25	1.25	1.25
27	13	•	...	Foundation Co.	1190	24	25	23¼	25
34	9	•	...	Fraser Cos.	1585	31¼	34	31	32¾
34	8	•	...	Do. Vot. Tr.	10686	31¼	34	31	34
60	37	6	...	Freiman, pf.	7	38	39	39	39
8	2¼	•	...	Frost Steel	45	6¼	8	7	8
105	88	5.25	...	Do. pref.	....	(97 bid — asked)			
				G					
9¾	3	•	...	Gen. St. Wares	3625	7¾	8¾	7¾	8¼
90	45	•	...	Do. pref.	751	75	76	75	76
90	64¼	2.50+2.50		Goodyear Tire	65	90	90	86¾	86¾
59	53¼	2.50	4.5	Do. pref.	185	56¼	56¼	56	56¼
3	1	•	...	Gt. W. Saddlery	150	2	2¼	2	2¼
30	13	•	...	Do. pref.	....	(29¼ bid 32 asked)			
9¼	5	20c	...	Gurd, Chas.	705	7¼	7¼	7	7¼
100	90	7	...	Do. pref.	....	(95 bid — asked)			
15	5¼	•	...	Gypsum, Lime.	13483	13¼	14¾	13¼	14¼
				H					
13	4	•	...	Ham. Bridge	4512	11¼	14¼	11	14¼
65	25¼	•	...	Do. pref.	670	62	65	61	65
32	25¼	2	6.5	Ham. Cot., pf.	....	(30¼ bid 32 asked)			
3	¾	•	...	Ham. U. Theat.	....	(2 bid 2¾ asked)			
70	50	5	7.9	Do. pref.	12	63	63	63	63
6	2¾	5c	...	Harding Carpet	4950	5¼	6	5¾	6
9	1¼	•	...	Hillcrest Coll.	....	(10 bid — asked)			
20	15	•	...	Do. pref.	....	(15 bid — asked)			
22¼	12	1	4.8	Hinde & Dauch	440	20¼	21	20¼	20¾
7	4	•	...	Holt Renfrew	....	(13 bid 14 asked)			
45	30	•	...	Do. pref.	....	(15 bid — asked)			
1.25	.40	•	...	Honey Dew	....	(60 bid 95 asked)			
15	7	•	...	Do. pref.	....	(10 bid 15 asked)			
20	9¼	•	...	H. Smith Pap.	1904	18¾	20	18¾	19¼
119	88	3	...	Do. pref.	181	102	100	100	100
35	29	2	6.2	Humberstone S.	75	33	32¼	32	32
19	4¼	•	...	Hunts (A)	....	(14 bid 15 asked)			
20	6	•	...	Do. (B)	....	(13¾ bid 14¼ asked)			
90	70	5	6.8	Huron & E. Mt.	50	73	73¼	73	73¼
12¾	8¼	•	...	Do. 20% pd.	....	(11¼ bid 12 asked)			
10¼	6¼	•	...	Hydro Electric.	1800	8¼	9¼	8¾	8¾
				I					
240	197¼	10	4.2	Imperial Bank.	44	240	238	234	235
24¼	19¾	50+75c	6	Imperial Oil	22069	20¾	21¼	20	20¾
14¼	13¼	52½c	3.7	Imperial Tob.	4340	14	14¼	13¾	13¾
7¾	7	6%	...	Do. pref.	....	(7¼ bid — asked)			
34¼	28	•	...	Indust. Accept.	778	33	34¼	33¼	34
41	19	2	...	Inter-City Bak.	10	40	41	41	41
43	40	4+2	...	Inter'c Coal	....	(— bid 45 asked)			
130	115	8	6.2	Do. pref.	....	(120 bid — asked)			
.20	.20	1c	...	Int. Coal & C.	....	(.10 bid — asked)			
b10¼	2¾	•	...	Int. Hyd. E. A.	14900	9	9¾	8¾	9¼
16¼	4	•	...	Int. Metal Ind.	1325	15¼	16¼	15	16¼
90¼	30	•	...	Do. pref.	105	88¼	88	88	88
105¾	101	5	4.8	Int. Mill., pf.	....	102¼ bid 103 asked			
66¼	43¼	1.60	...	Int. Nickel	8839	63¾	64¼	62¾	62¾
9¾	2¼	•	...	Inter. Paints	110	6	6¾	6	6¼
29¼	14¾	75+25c	.	Do. pref.	120	20	20	20	20
b23¾	3¾	•	...	Int. Pa. & P.A.	9600	16¼	18¼	16	16¾
b14¾	2¼	•	...	Do. (B)	5600	11¼	12¾	11¼	11¼
b8¼	1¾	•	...	Do. (C)	23150	5¼	6¾	5¾	5¾
b98¼	20¼	•	...	Do. pref.	10700	91¾	94¼	91¼	92
39¾	33	1.50+1	7.2	Inter. Pete.	12294	33¾	35¼	33¾	35¼
6¾	3	•	...	Int. Power	125	5¼	5¼	5¼	5¼
95	57	6	6.6	Do. pref.	122	90¼	91	90	90
15¼	13	1.12	...	Int. St. Rly. A.	....	(13 June 17)			
16¾	3¾	•	...	Int. Util. (A)	1110	14¼	16¾	14¼	16
2.25	.40	•	...	Do. (B)	11015	1.50	1.95	1.45	1.85
				J					
37¾	33	1.50	5	Jam. Pub. Ser.	....	(36 bid — asked)			
130	123¼	7	5.4	Do. pref.	....	(130 bid — asked)			
				K					
30¼	6¾	1.25	...	Kelvinator	1665	27	31	29	31
108	102¼	7	6.6	Do. pref.	....	106¼ bid 108 asked			
				L					
48	16¼	•	...	Lake of Woods.	2265	44	44	43	43
170	123	7+14▲	4.6	Do. pref.	....	(150 bid 156 asked)			
58	54	5	8.9	Landed Bank	13	56	56	55¼	56
17	13¾	35c	...	Lang, J. A.	710	15¼	16	15¼	16
6	3	•	...	Langley's	....	(3 bid 6 asked)			
60	35	•	...	Do. pref.	....	(55 bid 60 asked)			
78	64¾	3	4	Laura Secord	75	76	75	75	75
8	2	•	...	Lindsay, C. W.	....	(8 bid 10 asked)			
70	40	•	...	Do. pref.	10	70	70	70	70
23¼	18¾	1	4.3	Loblaw (A)	920	22¼	23¾	22¼	23¾
22	17¼	1	4.7	Do. (B)	925	21¼	21¼	21	21¼
				M					
10¼	2¾	•	...	MacKin. Steel	....	(11 bid 14 asked)			
63	50	•	...	Do. pref.	....	(63 bid — asked)			
35	16¼	•	...	Maclaren Pr. pf.	2630	31¼	34	31	34
1¼	¾	•	...	M. L. Gardens.	....	(¾ bid — asked)			
4	2¼	•	...	Do. pref.	....	(2¼ bid 3 asked)			
7¼	1	•	...	Maple Leaf M.	2548	7	7	6¾	7
12¾	2	•	...	Do. pref.	11	10¾	10	10	10
*12¾	12	60c	...	Maritime Tel.	....	(15 bid — asked)			
15	15	70c	...	Do. pref.	....	(16 bid — asked)			
18	18	•	...	Marcus Loew's.	....	(— bid 20 asked)			
116	111	7	6	Do. pref.	....	(120 bid — asked)			
8¾	3¾	•	...	Massey Harris	48811	7¼	9¼	7¼	9¾
53¼	28	•	...	Do. pref.	5488	49¼	53¼	49¼	52¾
17¾	12¼	80c	5.5	McColl Fron.	5195	13¼	14¼	13	14
105	96¼	6	6	Do. pref.	65	100	100	99	99¼
14¾	9	50c▲	..	Melchers (A)	1670	12¾	14¼	12¼	13
4¾	2¾	•	...	Do. (B)	160	3¾	4¼	3¼	4¼
25	9	•	...	Mercury Mills p	160	20	25	20	23
48	30	1	2.2	Mitchell, J. S.	....	(45 bid 49 asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
21	5¼	•	...	Mitchell, Robt.	4390	17	22	17¼	21¼
5	3	•	...	Monarch Knit	....	(5¼ bid — asked)			
90	83¼	7	8.4	Do. pref.	....	(83¼ bid 86 asked)			
38	26	•	...	Montreal Cot.	20	35	38	37	38
106	85	7	6.6	Do. pref.	10	106	108	108	108
2¼	1¼	•	...	Mont. Is. Pr.	....	(2 bid 5 asked)			
36¼	30	1.50	4.3	Mont. L. & Pr.	10784	33	35	33	34¼
28¾	25	2	7.4	Montreal Loan	122	25	27	27	27
15	9	1	...	Mtl. Ref. & S. p	50	15	13	13	13
3	1¼	•	...	Do. Vot. Tr.	50	3	1¼	1¼	1¼
60	55¼	3.20	5.5	Montreal Tele.	....	(58 bid 68 asked)			
103	85	9	9.5	Montreal Trams	31	93	94¼	92	92
46	27¾	1.60	3.5	Moore Corp.	1305	43	44¾	43¼	44
182	146	7	3.9	Do. pref. (A)	35	180	180	175	180
270	175	7	2.7	Do. pref. (B)	....	(250 bid — asked)			
1¼	¼	•	...	Muirheads	205	¾	1	¾	1
4¼	3	•	...	Do. pref.	80	4¼	5	5	5
				N					
45	37	2	4.9	Nat. Breweries.	2207	41	41	40¼	40¼
45¼	39¾	1.75	4.1	Do. pref.	110	42	43	42¾	43
10	5	•	...	Nat. Grocers	1030	8¾	8⅞	8¾	8¾
140	130	7	5	Do. pref.	20	138	138¼	138	138¼
22	16¾	•	...	N. Sew. Pipe A	275	20	20	19¼	20
59¼	13	•	...	Nat. Steel Car.	5439	54	55¼	53	53¼
214	196	8	3.8	National Tr.	....	206¼ bid 210 asked			
44	29	40c	...	Niag. W. Weav.	955	43	45	42¾	45
2¾	¾	•	...	North Star Oil.	200	2¾	2¼	2¼	2¼
4¼	3¼	17½c▲	..	Do. pref.	605	4¼	4¼	4¼	4¼
93	61	5	5.4	N. S. L. & Pr.	....	(93 bid — asked)			
104	100¾	6	5.8	Do. pref.	....	(103 bid — asked)			
7¼	7¼	•	...	N. S. Steel, pf.	80	..	7¼	7¼	7¼
				O					
254	199¾	8	3.2	Ogilvie Flour	71	245	250	249¼	250
170	152	7	4.2	Do. pref.	5	167	167	167	167
119	100	5	4.7	Ontario Loan	....	(105 bid 110 asked)			
14¼	5¼	•	...	Ont. Silknit	30	6¼	7	7	7
90	75	7	8.7	Do. pref.	....	(78 bid — asked)			
20	8	•	...	Ont. Steel	65	14	16	14	16
120	74	3.50	2.9	Do. pref.	....	(115 bid — asked)			
1.60	1.00	•	...	Orange Crush.	100	1.60	2.00	2.00	2.00
12	5	•	...	Do. pref.	....	(6¼ bid 8 asked)			
101¼	88	6	6.1	Ott. L. H. & Pr	10	99	95	95	95
105	101¼	5	4.8	Do. pref.	30	103	105	105	105
22	15	2	9	Ott. Traction	....	(18¾ bid 20 asked)			
				P					
110¼	78¼	3+25c	..	Page Hersey	430	101	102	99	100
10¼	3¼	•	...	Pantepec Oil	17515	9¼	10¼	9	9¼
25	18	•	...	Paton Mfg.	25	22	20	20	20
110	100	7	6.4	Do. pref.	....	(112 bid — asked)			
63¼	48	3	4.8	Penmans	55	63	63	62	63
130	118	6	4.7	Do. pref.	....	(127 bid 130 asked)			
27	21¼	1	4.3	Photo Eng.	....	(22¼ bid 23¼ asked)			
100	82	7	7.2	Porto Rico Pr p	....	(96¼ bid 100 asked)			
31¼	11¾	25c	...	Power Corp.	5651	30¼	30¼	28	28¼
106¼	97¼	6	5.8	Do. pref.	....	(— bid 100 asked)			
4	1¼	•	...	Prairie C. Oil.	50	4	3¾	3¾	3¾
38¼	19	1.75+62½c		Pressed Metals	35	35	35¼	33¼	33¼
26¼	2¾	•	...	Price Bros.	6995	26¼	26¾	24¼	25
103¼	22	•	...	Do. pref.	1482	103¼	103¼	98	98¼
				Q					
24	14	1	4.2	Quebec Power	3986	20	24	20¾	23¼
7	3¾	•	...	Que. Telephone	....	(4¼ bid — asked)			
				R					
40	40	2	5	Real Estate L'n	....	(— bid 45 asked)			
9¼	4¼	•	...	Regent Knit.	610	9	9¼	9	9
19¼	12¼	•	...	Do. pref.	145	19¼	19	19	19
13	4¼	•	...	Reliance Grain.	175	10¼	13	12¼	13
24¾	19¼	60c●	..	Remington R'd	....	(21¼ bid 21¾ asked)			
36	28¾	2+1.75	.	River. S. Mills.	15	35	31	31	31
9¼	4	•	...	Rogers Majest.	675	7¾	7¾	7¾	7¾
24¼	23	50c	...	Rolland Pap.	10	23	23	23	23
25	24	•	...	Do. Vot. Tr.	225	24	25	24	25
105	95¼	6	5.7	Do. pref.	....	103¼ bid 105 asked			
17	14¼	50c	...	Root Petroleum	....	(— bid 14 asked)			
204	164	8	4	Royal Bank	348	201	202	200	201
46	30	1.50	...	Russell Motor	30	45¼	56	56	56
116	100	7+1▲	6.3	Do. pref.	10	111	110	110	110
				S					
101¼	99¾	5.50	5.5	Saguenay Pr. p.	256	101	101	100¼	101
15	6	•	...	Sarnia Br. (A)	20	12	13	13	13
9¼	1¼	•	...	Do. (B)	....	(6 bid 8 asked)			
29¾	18¾	80c	2.7	Shawinigan Pr.	16190	26¼	30	27	30
25¼	16	•	...	Sher. Wms.	305	23¼	24¼	23¼	24¼
135	115	7	5.4	Do. pref.	....	(— bid 130 asked)			
15¼	9	25c	...	Simon & Son	65	15	14¼	14¼	14¼
101	85	7▲	...	Do. pref.	5	100	100	100	100
101	70	4	4	Simpson, pfd.	285	99¼	101	99¼	100¼
25	10	•	...	Do. (A)	45	20	21	20¼	20¾
15	4	•	...	Do. (B)	75	11¼	13	11	13
125	111¼	6	5.1	Simpson, R., pf.	....	118 bid 119¾ asked			
15	11	80c	5.4	So. Can. Pr.	3900	13¼	15	13¾	14¼
106	98	6	5.7	Do. pref.	40	106	106¼	105	106¼
9	1¼	•	...	St. Law. Corp.	23135	7	9¾	7¼	9¾
27	8	•	...	Do. (A)	11725	24	27	23¼	26¼
71	40	2+1	4.2	St. Law. Flour.	....	(65 bid 73 asked)			
140	120	7	5	Do. pref.	....	(— bid 140 asked)			
72¼	20¼	•	...	St. Law. Pap. p.	1476	67¼	72¼	67	70
16	6¾	•	...	Stand. Chem.	....	(15¼ bid 16 asked)			
8	2	•	...	Stand. Clay	....	(5¼ bid 8 asked)			
6.50	1.15	•	...	St. Pav. & Mat.	2105	4.75	6.50	5.00	6.25
48	12	•	...	Do. pref.	430	38	48	38	46
45	20	75c+75c▲		Stand. Steel, pf.	....	(43 bid 48 asked)			
90	57	1.75‡	2	Steel of Can.	1042	84¾	85¼	83	84
84	49¼	1.75	2.2	Do. pref.	715	77	77	75	76
4	2	•	...	Sterling Coal	....	(3 bid 3¼ asked)			
2¼	¾	•	...	Stop & Shop	130	1¼	1¼	1	1¼
2¾	2	•	...	Supersilk H.	....	(3¼ bid — asked)			
80	66	3.50	4.4	Do. pref.	....	(81 bid 85 asked)			
41	30	1	2.7	Sup. Pete. ord.	....	(34¼ bid 36¼ asked)			
45	32	1	2.5	Do. com.	....	(34 bid 40 asked)			
				T					
16¼	16	20c	...	Tamblyn	1765	16	16	15¾	16
58	53¼	62½c	..	Do. pref.	40	53¼	53¼	53	53
5	1	•	...	Thayers	95	2¼	1¾	1¾	1¾
37	18	2.50	...	Do. pref.	....	(20 bid 24 asked)			
3	1	•	...	Thrift Stores	....	(1¼ bid 1¾ asked)			
14	5	•	...	Do. pref.	10	7	7¼	7¼	7¼
12	7¼	25c	...	Tip Top Tailors	20	10¼	11	10¼	11
107	102	7	6.7	Do. pref.	10	105	106	106	106
1¼	1	•	...	Tooke Bros.	3	1¼	1¼	1¼	1¼
25	10	•	...	Do. pref.	....	(15 bid 25 asked)			
40	34	1	2.7	Tor. Elevators	235	37	37	37	37
119	109	7	6.3	Do. pref.	145	111	111	110¼	110¼
114	75	4	3.8	Tor. Gen. Tr.	52	110	105	105	105
125	115	6	4.8	Toronto Mtge.	....	(120 bid 125 asked)			
160	150	7	4.4	Tuckett Tob. p.	35	157	157	157	157
17	8	•	...	Twin City	38	15	13¾	13¾	13¾
				U					
17¼	9	35c	...	Union Gas	2845	17	17	16¼	16¾
25	15	60+10c	.	Un. Amuse. A.	10	25	23¾	23¾	23¾
15	15	60+10c	.	Do. (B)	....	(15 Mar. 27)			
1.15	.50	•	...	United Distill.	675	.95	1.10	.95	1.10
58	20	•	...	United Fuel pr.	570	54¼	56	54	55
28¼	20	2	8	United Secs.	....	(— bid 27 asked)			
9¼	2¼	•	...	United Steel	11800	7¾	9	7¾	8¼
				V					
10	4	•	...	Viau Biscuit	....	(4 bid 5 asked)			
50	50	•	...	Do. pref.	10	50	50	50	50
				W					
31¼	20	25c	...	Wabasso Cot.	350	28	27¾	27	27¾
49¾	26¼	2	4.2	Walker-Good.	1357	48	48	47	48
20¼	17	1	5.1	Do. pref.	1039	19¼	19¾	19¼	19¼
3¾	1¾	•	...	Walkerville Br.	5225	2¼	2¾	2¼	2¾
3.25	.95	•	...	Waterloo Mfg.	4240	2.50	3.50	2.12	3.50
12¼	4¼	•	...	West. C. Flour.	45	11¼	11¾	11¼	11¼
79	36	•	...	Do. pref.	20	79	77	76	76
65	46¼	2.40	3.7	West. Grocers	5	62	65	65	65
116	106	7	6	Do. pref.	....	(116 bid — asked)			
21	13¼	80+10c	.	Weston Ltd.	1140	17¾	18¼	17¼	18¼
109¼	93	5	4.7	Do. pref.	30	105¼	106	105¼	106
2¼	¾	•	...	Windsor Hotel	2800	2	2¼	2	2¼
12	4	•	...	Do. pref.	20	9	9	9	9
6¼	1¼	•	...	Winnipeg El. A	1522	5¼	5¾	5	5¼
5¾	2¼	•	...	Do. (B)	605	5¼	5¼	5	5¼
35	17¼	•	...	Do. pref.	116	30	30	26	28
60	38	•	...	Wood, A & J, p	5	60	54	54	54
90	50	•	...	Woods Mfg., pf.	110	82¼	80	80	80
				Z					
6	2¾	•	...	Zimmerknit, c.	25	5¼	5¾	5¾	5¾
90	60	3.50▲	..	Do. pref.	....	(88 bid 95 asked)			

Government Bonds

January 6, 1937

Dominion of Canada Bonds	Rate	Due	Bid Jan. 6	Asked Jan. 6	Approx. Yield	Bid Dec. 30
†‡Dominion	5	1 Mar. 1937	100.35	100.85	...	100.50
‡Dominion	5½	1 Dec. 1937	103.65	104.15	.84	103.85
Dominion	2½	15 Oct. 1939	103.00	103.50	1.24	103.00
Dominion	4	15 Oct. 1939	107.00	107.50	1.29	107.00
Dominion	2	15 Nov. 1939	102.00	102.50	1.13	102.00
Dominion	1½	1 June 1940	100.15	100.65	1.31	100.15
Dominion	4½	1 Sept. 1940	109.50	110.00	1.72	109.50
Dominion	1	15 Mar. 1941	98.00	98.50	1.36	98.00
Dominion	5	15 Nov. 1941	113.65	114.15	1.94	113.35
Dominion	3	15 Oct. 1942	105.00	105.50	1.99	105.00
Dominion	2½	1 June 1943	102.15	102.65	2.06	102.15
Dominion	5	15 Oct. 1943	114.75	115.25	2.54	114.50
Dominion	4½	15 Oct. 1944	113.25	113.75	2.54	113.15
■Dominion	2½	15 Aug. '43-45	100.65	101.15	2.31▲	100.65
Dominion	4	15 Oct. '43-45	109.65	110.15	2.38▲	109.50
Dominion	4½	1 Feb. 1946	113.25	113.75	2.77	113.15
Dominion	3½	15 Oct. '44-49	105.50	106.00	2.64▲	105.65
Dominion	4	15 Oct. '47-52	109.00	109.50	2.98▲	109.00
Dominion	3	1 June '50-55	101.00	101.50	2.86▲	101.00
Dominion	4½	1 Nov. '46-56	112.00	112.50	3.04▲	112.00
Dominion	4½	1 Nov. '47-57	112.00	112.50	3.14▲	112.00
Dominion	4½	1 Nov. '48-58	112.65	113.15	3.17▲	112.75
Dominion	4½	1 Nov. '49-59	112.85	113.35	3.23▲	113.00
■Dominion	3¼	15 Jan. '56-61	102.75	103.25	3.03▲	102.60
Dominion	3¼	1 June '56-66	102.00	102.50	3.08▲	102.00
♦Dominion	3	Perp. bonds	96.50	97.00	3.09	96.65
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	101.00	102.00	2.87	101.00
Can. N. Ry.	3	1 May 1944	103.50	104.50	2.33	103.50
Can. N. Ry.	3	15 Dec. '45-50	101.00	102.00	2.75▲	100.50
Can. N. Ry.	3	15 Feb. '48-53	100.00	101.00	2.90▲	100.00
*Can. N. Ry.	4½	1 Sept. 1951	115.50	116.50	3.11	115.50
*Can. N. Ry.	4½	1 Feb. 1956	115.75	116.75	3.32	115.75
†Can. N. Ry.	4½	1 July 1957	115.00	116.00	3.40	115.00
*Can. N. Ry.	4¾	15 June 1955	118.00	119.00	3.36	118.00
Can. N. Ry.	5	1 Feb. 1954	118.75	119.75	3.48	118.75
*Can. N. Ry.	5	1 July '44-69	118.00	119.00	2.78▲	118.25
*Can. N. Ry.	5	1 Oct. '49-69	120.25	121.25	3.29▲	120.25
*M. Harb. C.	5	1 Nov. '49-69	120.50	121.50	3.27▲	120.50
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.50	104.50	3.65	103.50
†N. Bruns.	4½	15 Apr. 1961	110.75	111.75	3.76	110.75
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.92	115.50
N. Scotia	3	2 Sept. 1945	100.25	101.25	2.83	100.25
N. Scotia	4½	15 May 1943	108.00	109.00	2.96	108.00
†N. Scotia	4½	15 Sept. '47-52	111.50	112.50	3.14▲	111.50
†N. Scotia	5	1 Mar. 1960	118.00	119.00	3.77	118.00
*Ontario	4	1 June 1962	108.00	109.50	3.44	108.00
*Ontario	4½	1 Sept. 1944	113.25	114.25	2.46	113.25
Ontario	4½	1 June 1950	112.75	113.75	3.23	112.50
*Ontario	4½	15 Jan. 1962	115.50	117.00	3.48	115.50
Ontario	5	15 Oct. 1948	116.00	117.00	3.27	115.75
*Ontario	5	2 Dec. 1960	121.50	123.00	3.56	121.50
Ontario	5½	1 July 1946	117.00	118.00	3.28	116.75
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	.50▲	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	118.00	119.90	3.70	118.00
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	108.00	109.00	3.25	108.00
Quebec	4¼	1 Aug. 1958	111.50	112.50	3.44	111.50
Quebec	4½	2 Jan. 1963	113.75	114.75	3.63	113.75
Western—						
Alberta	4	15 Dec. '49-54	65.00	68.00	§	66.00
†Alberta	4	1 Dec. 1957	67.00	70.00	§	68.00
Alberta	4½	1 Oct. 1951	77.00	80.00	§	77.00
†Alberta	4½	1 Oct. 1956	71.00	73.00	§	72.00
†Alberta	5	1 Jan. 1948	72.00	74.00	§	72.50
Alberta	5	1 Sept. 1955	71.00	73.00	§	72.00
*Alberta	5	1 Oct. 1959	72.00	75.00	§	72.50
†Alberta	5½	1 Jan. 1947	73.00	75.00	§	73.00
Alberta	6	1 Mar. 1947	73.50	75.50	§	73.50
†Brit. Col.	4	1 Dec. 1957	93.00	94.50	4.40	93.00
*Brit. Col.	4½	15 Jan. 1951	98.50	100.00	4.50	98.00
†Brit. Col.	4½	1 Oct. 1953	98.00	99.50	4.54	97.50
†Brit. Col.	5	15 Jan. 1948	100.00	101.00	4.89	99.00
Brit. Col.	5	1 Sept. 1953	100.00	101.00	4.91	99.00
Brit. Col.	5½	1 Feb. 1945	101.50	103.00	5.04	101.00
Brit. Col.	6	15 Feb. 1947	102.50	103.50	5.55	101.50
Manitoba	4	2 Jan. 1950	89.00	91.00	4.95	89.00
†Manitoba	4	1 Dec. 1957	90.00	92.00	4.60	90.00
†Manitoba	4½	15 Dec. 1956	93.00	94.50	4.94	93.50
†Manitoba	5	15 June 1954	98.00	100.00	5.00	98.50
*Manitoba	5	2 Dec. 1959	98.00	100.50	4.96	99.00
Manitoba	5½	1 Oct. 1955	97.50	98.50	5.62	98.00
Manitoba	6	1 Apr. 1947	98.00	99.50	6.06	99.00
Sask.	4	15 Aug. 1953	80.00	81.50	5.71	80.00
Sask.	4	1 Nov. '55-60	79.25	80.50	5.46	79.00
*Sask.	4½	2 July 1945	91.00	92.50	5.62	91.00
†Sask.	4½	1 Oct. 1951	89.00	90.50	5.43	89.00
†Sask.	4½	15 Mar. 1960	87.00	88.50	5.36	87.00
Sask.	5	1 Aug. 1958	88.50	90.00	5.81	89.00
†Sask.	5½	15 Nov. 1946	95.00	96.00	6.04	95.00
Sask.	5½	1 Oct. 1952	93.00	94.00	6.09	93.00
Sask.	6	15 Mar. 1952	94.00	96.00	6.41	94.50

Mining Stock Quotations

WEEK ENDED JANUARY 4

Par Val.	Range 1936 High	Low	Company	Sales	Close Dec. 28 (or last)	High for week	Low for week	Close Jan. 4
1	.13¼	.04	Afton	10,600	.08	.08	.07	.07½
No	1.83	.88	Aldermac	175,440	1.67	1.78	1.63	1.76
1	.10	.01¼	Alexandria	57,000	.03¾	.04¼	.03¼	.04¼
No	.12¼	.03¾	Algoma	28,000	.05¼	.06	.05	.06
No	7.50	4.10	Anglo-Huronian	1,092	6.30	6.60	6.45	6.60
1	1.75	1.00	Argosy	19,563	1.11	1.18	1.10	1.15
1	1.20	.65	Arntfield	3,050	.88	.90	.85	.90
No	.12	.03	Arno	1,000	.04½	.04½	.04½	.04½
1	.31	.06½	Ashley	1,600	.09	.09½	.09	.09½
1	.12	.02¾	Astoria Rouyn	78,100	.10	.10½	.09½	.09½
1	.11¾	.05½	Bagamac	295,250	.08	.08½	.06½	.07½
1	2.15	1.40	Bankfield	24,616	1.57	1.72	1.50	1.65
1	.10	.03½	Barry Hollinger	......	(.... bid .03 asked)			
1	.42	.14	Base Metals	5,200	.27½	.27	.25½	.26
No	1.84	1.20	Beattie Gold	53,625	1.28	1.50	1.28	1.33
1	.59	.30	Beaufor	12,800	.50	.52	.51	.50
1	2.00	1.25	Bidgood Kirk.	31,156	1.70	1.75	1.64	1.70
1	.76	.46	Big Missouri	518,515	.60	.70	.60	.68
1	.36½	.13	Bobjo	32,100	.17	.21	.19	.19
1	.70	.34	Bouscadillac G. M.	22,800	.62	.62	.60	.60
No	9.00	5.55	Bralorne	3,800	8.05	8.15	7.95	8.15
1	.40	.05	Brazil Gold	11,500	.06	.15	.08	.15
1	.14½	.02	Brett Trethewey	180,000	.12½	.15½	.12	.14½
50c.	.25½	.07½	B. R. X. Gold	8,300	.09	.10	.09	.10
1	.16	.07	Brownlee	29,400	.10	.12½	.10	.11½
1	12.25	3.80	Buffalo Ankerite	2,150	12.00	12.00	11.65	11.87
No	.13	.02	Buffalo Can.	22,200	.04½	.05½	.04½	.05½
5	37.00	27.25	Bulolo Gold	3,726	28.87	30.00	27.25	29.00
No	.18	.06	Bunker Hill	9,600	.13	.13	.10	.10
No	2.15	.95½	Can. Malartic	88,010	2.05	2.15	1.90	2.10
1	2.10	1.15	Cariboo Gold	800	1.57	1.65	1.60	1.61
1	.50	.02	Cartier Malartic	69,600	.47	.49	.44	.45
1	1.69	1.18	Castle Trethewey	29,450	1.42	1.53	1.44	1.49
1	.58	.11½	Cen. Manitoba	47,500	.21	.23	.18½	.23
1	4.90	2.41	Cen. Patricia	20,390	4.55	4.60	4.30	4.35
1	.59	.30	Cen. Porcupine	35,700	.31½	.33	.30	.32
No	2.46	1.10	Chromium	31,650	1.27	1.35	1.28	1.30
No	.09¾	.03	Church M. & Mill	18,600	.05	.06	.05	.05½
No	.14	.03	Clericy	22,700	.06½	.07	.06½	.06½
5	8.00	2.25	Coast Copper	1,495	6.95	7.00	6.25	6.50
1	.04	.01½	Cobalt Contact	7,000	.02	.02½	.02	.02½
5	4.25	2.80	Coniagas	230	3.50	3.50	3.35	3.35
No	2.75	1.60	Coniaurum	12,412	1.62	2.10	1.65	2.10
1	3.38	1.10	Con. Chibougamau	127,993	1.93	2.22	1.88	2.10
25	81.00	51.00	Cons. Smelters	2,725	80.00	81.00	79.75	80.00
1	2.75	1.10	Darkwater	15,600	2.65	2.75	2.55	2.60
No	61.25	41.75	Dome Mines	870	50.00	49.87	49.00	49.00
1	.09½	.04	Dom. Explorers	3,000	.06½	.07	.06½	.07
1	.55	.32	Dorval Siscoe	21,400	.42	.42	.41	.42
1	.10½	.04	Duparquet	18,200	.06½	.06½	.06	.06½
1	1.40	.52	East Malartic	129,115	1.35	1.40	1.28	1.34
1	2.45	.80	Eldorado	111,280	2.25	2.63	2.20	2.63
No	12.87	6.90	Falconbridge	12,554	11.75	12.50	11.50	12.00
1	.23½	.03	Federal	422,031	.18	.24½	.18½	.23½
No	2.24	.10	Francoeur Gold	187,895	1.10	1.28	1.08	1.16
1	.41	.19	Glenora	43,000	.25	.27½	.23	.27
No	1.45	.65	God's Lake	30,810	.91	.92	.86	.88
1	.52	.14½	Goldale	91,500	.45	.47	.44	.45
50c.	.54	.10	Gold Belt	1,200	.10	.15	.10	.15
1	.26½	.06	Goodfish	16,950	.11	.12	.11	.11½
1	.27	.03	Graham Bosquet	20,050	.24	.24	.21	.21
1	.40	.17	Granada Gold	8,300	.25	.27	.23½	.23½
No	.15	.05¾	Grandora	1,000	.06½	.07	.07	.07
1	.93	.21	Greene Stabell	25,600	.41	.43	.41	.41
1	.09	.04	Grozelle	......	(.10 bid .... asked)			
1	.16	.08	Grull Wihksne	1,700	.11	.12	.10	.12
1	1.20	.75	Gunnar Gold	16,500	1.08	1.09	1.05	1.07
1	.10½	.02	Halcrow Swayze	6,850	.03½	.05	.03½	.03½
1	3.63	.30	Hard Rock	73,501	3.00	3.20	2.90	3.14
1	.26	.07	Harker	45,850	.15½	.16	.15	.15½
5	17.25	12.00	Hollinger	8,755	13.37	14.12	13.12	14.00
1	1.00	.55	Howey Gold	56,125	.61	.70	.59	.69
No	34.50	22.87	Hudson Bay	5,560	33.25	33.25	32.50	32.75
1	18.75	13.75	Inter. Mining	15,307	15.00	18.75	15.00	16.50
1	4.50	2.75	Do., Pur. Warr.	......	(4.00 Nov. 7)			
No	66.12	43.50	Int. Nickel	8,839	63.75	64.50	62.37	62.75
1	.80½	.28½	J. M. Cons. Gold	47,680	.42	.48	.43	.44
1	.75	.40	Kerr Lake	500	.62	.65	.65	.65
1	2.31	.30	Kirk. Hud. Bay	8,550	2.25	2.25	2.20	2.25
1	1.32	.40	Kirkland Lake	567,200	.84	1.32	.80	1.32
1	.45	.03½	Kirk. Premier	27,800	.25	.33½	.28	.32
1	.31	.14½	Kirk. Townsite	4,100	.23	.23	.23	.23
1	1.05	.55	Laguna	4,325	.97	.97	.90	.96
No	.21	.03	Lake Maron	36,850	.06½	.07	.06	.06½
1	62.75	51.75	Lake Shore	3,090	58.00	58.25	57.00	57.75
1	.47	.05	Lamaque Contact	67,550	.20	.20	.18	.18
1	1.38	.70	Lava Cap	21,400	.85	.90	.82	.90
1	.29½	.12	Lebel Oro	68,566	.17	.21	.16½	.20
1	.15	.02½	Lee Gold	26,100	.06½	.06½	.05½	.06½
No	7.75	5.70	Little Long Lac	9,860	7.50	7.50	7.35	7.35
1	8.40	3.12	Macassa	60,100	8.10	8.50	8.00	8.45
1	.07	.01¾	Malrobic	17,400	.03½	.04½	.03½	.04
No	.52	.12	Mandy	60,300	.50	.60	.52	.57
No	.30	.05½	Man. & Eastern	111,050	.13½	.13¾	.11	.13½
1	.30	.05½	Maple Leaf	16,075	.19½	.20	.18½	.20
1	.60	.30	May Spiers	51,200	.33	.44	.34½	.42½
5	49.25	38.00	McIntyre	4,643	38.75	39.75	38.12	39.00
1	2.24	1.22	McKenzie R. L.	30,600	1.82	1.85	1.75	1.84
1	.65	.45	McKinley	......	(.63 bid 1.00 asked)			
No	5.40	3.40	McLeod Cockshutt	50,485	4.60	4.90	4.50	4.65
1	.20	.02	McMillan	164,850	.17	.18	.16	.17½
No	1.78	.71	McWatters	15,550	.85	.91	.85	.90
1	.42	.17	McVittie	8,800	.18	.19	.17	.19
5	2.50	.50	Mentor Exp. & Dev.	100	1.50	1.50	1.50	1.50
No	3.40	1.10	Mining Corp.	28,291	3.15	3.40	3.01	3.40
No	1.00	.07½	Minto Mines	10,200	.20	.23	.22	.23
1	.16½	.03	Moffatt Hall	8,000	.03½	.04	.03½	.04
1	.85	.51	Morris Kirk	21,000	.66	.66	.60	.65
1	1.93	.06½	Moneta	113,905	1.68	1.79	1.61	1.72
1	2.05	.25	Montague	94,005	.50	.40	.25	.25
1	.09	.00½	Murphy	48,200	.04½	.05	.04½	.05
1	.72	.66	Naybob	26,275	.72	.72	.65	.72
No	.08	.02	Newbec	14,800	.05	.05½	.05	.05
1	1.40	1.00	New Golden Rose	18,813	1.30	1.37	1.28	1.35
1	.06½	.01½	Night Hawk Penn.	37,000	.04	.04½	.03½	.03½
5	3.05	2.30	Nipissing	4,730	2.55	2.70	2.60	2.73
No	75.00	44.50	Noranda	6,947	75.00	74.75	74.00	74.00
No	.75	.24½	Nor. Canada	76,700	.59	.90	.58	.84
1	.18	.09	Norgold	14,200	.09½	.11½	.09½	.10
1	14.12	.24	O'Brien	72,480	12.25	13.50	11.75	12.50
1	.85	.40	Omega	112,535	.66	.77	.67	.74
1	.42	.07	Osisko	11,900	.32	.33	.27	.20
No	5.20	3.10	Pamour	10,270	4.00	4.00	3.75	3.75
1	.48	.18	Parkhill	37,450	.25	.24½	.22½	.23½
1	.46	.30	Paulore	10,200	.36	.36	.31	.33
1	.11	.02	Pawnee Kirk	12,000	.02½	.03	.02½	.03
1	1.25	.50½	Paymaster	45,422	1.15	1.18	1.10	1.12
1	4.30	.65	Pend Oreille	61,291	3.90	4.20	3.90	3.90
1	2.35	1.12	Perron Gold	51,750	2.15	2.35	2.10	2.30
1	.04	.01½	Peterson Cobalt	2,500	.02½	.02½	.02½	.02½
1	8.30	3.95	Pickle Crow	37,100	7.85	8.30	7.85	8.10
1	12.00	4.95	Pioneer Gold B. C.	11,430	5.30	6.50	5.10	6.50
1	.15	.04	Porcupine Crown	46,900	.07	.07½	.06½	.07
1	1.72	.95	Powell Rouyn	26,575	1.58	1.60	1.51	1.60
1	4.55	1.80	Premier Gold	34,997	4.15	4.55	4.05	4.40
1	2.25	.21	Preston E. Dome	13,280	1.25	1.40	1.25	1.35
No	3.25	1.15	Prospectors Air's.	700	1.25	1.40	1.30	1.36
1	1.40	.59	Quebec Gold	4,450	.72	.85	.72	.85
No	.11	.02	Quemont	......	(.12 bid .15 asked)			
1	5.05	1.43	Read Authier	17,735	4.70	5.15	4.65	5.05
1	2.55	.50	Red Lake	17,705	1.38	1.42	1.35	1.39
1	1.46	1.00	Reno Gold	12,075	1.20	1.24	1.18	1.20
1	.13½	.01	Ritchie	332,700	.06½	.09	.06½	.08½
1	.11½	.04	Robb Montbray	145,800	.10½	.11	.10	.10½
1	.76	.05½	Roche Long Lac	532,130	.37	.44	.33	.44
1	3.45	1.60	San Antonio	18,044	2.40	2.40	2.30	2.31
1	1.16	.75	Shawkey	28,550	.76	.79	.75	.78
50c.	.97	.56	Sheep Creek	2,200	.80	.80	.77	.80
1	2.95	1.00	Sherritt Gordon	85,196	2.80	3.09	2.70	3.05
1	5.50	2.87	Siscoe	56,425	5.35	5.45	5.25	5.35
1	2.27	.42½	Sladen Malartic	125,470	2.25	2.27	2.05	2.11
No	.08½	.02½	South Tiblemont	9,700	.03½	.03½	.03½	.03½
No	.97	.18½	Stadacona	143,065	.89	.97	.87	.96
1	.38½	.15	St. Anthony	35,300	.20½	.22	.21	.21
No	6.40	3.00	Sudbury Basin	5,250	6.00	6.25	5.90	6.20
1	.47	.06	Sudbury Contact	30,600	.39	.41	.37	.39
1	.07½	.02½	Sudbury Mines	8,500	.02½	.03	.02½	.03
1	2.50	.83	Sullivan Cons.	32,077	2.15	2.17	2.09	2.11
1	3.74	2.25	Sylvanite	48,455	3.40	3.99	3.40	3.95
1	.68	.12	Tashota	11,650	.16	.19	.16	.19
1	6.70	4.30	Teck Hughes	16,905	5.30	5.60	5.25	5.50
1	2.87	.37½	Thomp. Cadillac	165,477	2.10	2.15	1.83	1.95
1	.27	.02	Timiskaming	53,300	.20½	.23	.20	.21
1	4.45	1.20	Toburn Gold	16,408	3.75	4.60	3.80	4.55
1	1.40	.20	Towagmac	20,625	1.30	1.40	1.30	1.38
1	.80	.20	Treadwell	......	(.60 bid .65 asked)			
No	3.15	1.60	Ventures	23,773	2.90	3.15	2.92	3.10
No	3.10	1.00	Waite Amulet	19,423	3.05	3.45	2.97	3.45
50c	.21	.05½	Wayside	28,950	.06½	.06½	.06½	.06½
No	.06	.02½	White Eagle	138,500	.02½	.04	.02½	.03½
1	.11	.03	Wiltsey Coughlan	21,000	.10	.10	.09½	.09½
1	.58	.48	Wood Cadillac	55,050	.52	.53	.49	.51½
No	9.00	7.15	Wright-Hargreaves	25,115	7.75	8.00	7.60	7.85
No	.71	.30	Ymir Girl	5,800	.35	.37	.35	.37
			OIL STOCKS					
No	.18½	.09½	Acme Gas & Oil	10,500	.14	.14	.13½	.14
1	.70	.40	Ajax	1,800	.44	.40	.40	.40
No	3.22	.10	Calgary & Ed.	88,975	2.61	3.25	2.55	3.20
1	.45	.05	Calmont	31,675	.38½	.44	.38½	.43
No	.27	.04½	Common Pete	5,850	.27	.28	.23	.26
No	1.50	.36	Dalhousie	12,832	1.35	1.45	1.30	1.40
No	.13½	.06	Eastcrest	6,100	.11½	.11¾	.10	.11
No	2.60	.30	Foothills	13,940	1.90	2.20	1.90	2.10
No	.31	.10	High Sarcee	7,100	.14½	.16	.15	.16
No	3.28	.70	Home	30,960	2.90	2.95	2.70	2.92
1	.81	.11	Homestead O.&G.	60,175	.47	.59	.47½	.59
No	.95	.60	Hunter Valley	100	.60	.70	.70	.....
	.23½	.14½	Do. Warrants	......	(.15 Dec. 24)			
No	.50	.07	Lowery	2,000	.40	.37	.33	.37
No	.24	.10	Merland	500	.14	.12	.12	.12
5	.26	.10	Nordon	15,000	.18	.22	.16½	.21
No	.07	.03	Oil Selections	5,000	.05	.05½	.05	.05
No	.15	.06	Olga Gas & Oil	5,000	.07	.07½	.07	.07
	.17	.15	Pacalta	6,200	.15	.17	.14½	.14½
1	.80	.52	Petrol Oil & Gas	......	(.65 bid .70 asked)			
No	50.50	26.00	Royalite	3,423	47.00	48.25	47.00	48.00
No	.80	.04	South West Pete	...800	.60	.70	.60	.61
No	2.50	1.45	Texas Can	5,300	2.27	2.30	2.20	2.28

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1936 High	Low	Company	Sales	Close Dec. 28 (or last)	High for week	Low for week	Close Jan. 4
1	.09	.01½	Alexander	......	(.03½ bid .04 asked)			
25c	.01	.00½	Bayview	......	(.00½ bid .00¾ asked)			
20c	.05	.01½	Beaver Silver	84,600	.03	.04	.03	.04
1	.76	.46	Big Missouri	64,344	.58	.70	.60	.70
25c	.03	.01	Bluebird	11,500	.03	.03	.02½	.02½
No	9.00	5.60	Bralorne	5,263	8.25	8.20	8.00	8.10
1	.10	.03	Bridge River Cons.	1,000	.05	.05	.05	.05
50c	.25½	.08	B.R.X. Gold	25,500	.08½	.11½	.09	.11½
50c	.18	.09	B.R.Mountain Gold	2,500	.10	.10	.10	.10
1	.54	.17½	B.C. Nickel	8,850	.28	.29	.26	.29
1	3.30	1.50	B.C. Silver	6,003	2.50	3.30	2.50	3.00
50c	.12½	.03½	Canadian Rand	1,000	.04	.03½	.03½	.03½
1	2.05	1.15	Cariboo Gold	1,535	1.64	1.69	1.60	1.60
1	.30	.06½	Congress Gold	45,200	.07½	.12½	.07½	.12½
25c	.01½	.00½	Cork Province	12,500	.01½	.01½	.01½	.01½
1	.06	.02	Cotton Belt	3,100	.06	.06	.06	.06
1	.03½	.01	Dalhousie Mines	......	(... bid .01½ asked)			
No	.36	.10½	Dentonia	36,300	.12	.15	.11½	.14½
No	.08½	.01½	Dictator	8,000	.01½	.02	.02	.02
1	.07	.02	Dunwell	3,000	.03½	.04	.04	.04
No	.15	.03	Fairview Amal.	155,491	.11½	.16	.11½	.16
50c	.80	.35	Fawn Mining	4,000	.66	.66	.65	.65
1	.18½	.02½	Federal Gold	23,300	.03½	.04	.04	.04
1	.70	.15	George Copper	3,350	.70	.70	.62	.62
50c	.02½	.01	Glacier Creek	3,000	.01½	.02	.02	.02
1	.02½	.01	Georgia River	42,000	.02	.02½	.02	.02½
1	.24	.09	Golconda	24,500	.15	.15	.13½	.14½
50c	.54	.08	Gold Belt	64,550	.08	.15	.08	.13½
50c	.45	.05	Gold Mountain	94,000	.24	.45	.34	.41
50c	.16	.02	Grandview	59,750	.15	.15½	.14½	.14½
No	.07½	.01½	Grange Mines	42,600	.02½	.03	.02½	.02½
1	.15½	.07	Grull Wihksne	65,900	.11½	.15	.11½	.15
No	.05½	.00½	Haida Gold	5,000	.00½	.00½	.00½	.00½
50c	.32	.12	Hedley Amal.	189,750	.22	.28	.27	.27
No	.08	.02	Home Gold	20,000	.02½	.03½	.02½	.03½
1	.02½	.00½	Independence	113,000	.02	.04½	.02	.03½
1	.03½	.01½	Indian Mines	3,500	.03½	.03½	.03½	.03½
50c	1.82	.95	Island Mountain	3,900	1.10	1.16	1.06	1.15
1	.24½	.18	Inter'tl Coal	......	(.22 bid ... asked)			
50c	.93	.30	Kootenay Belle	15,530	.80	.90	.80	.90
20c	.02½	.00½	Koot. Florence	137,100	.01½	.02½	.02	.02½
25c	.01½	.00½	Kootenay King	10,750	.01½	.01½	.01	.01
1	.01	.00½	Lakeview	6,000	.01	.01	.01	.01
10c	.08	.01	Lucky Jim	69,200	.07½	.08	.07	.08
No	.14½	.02½	Mak Siccar	9,000	.03½	.04½	.04	.04½
50c	.01	.00½	Marmot Metals	136,500	.00½	.01	.00½	.00½
1	.20	.12	McGillivray Creek	......	(.18½ bid .20 asked)			
5c	.12	.08	Metaline Metals	......	(.12 bid ... asked)			
50c	.14½	.02	Meridian Min.	1,550	.03	.03	.03	.03
No	.94	.07	Minto Mines	45,550	.24	.24½	.21½	.24
50c	.05	.01½	Morning Star	132,983	.03½	.04½	.03½	.04½
1	.02	.00½	Morton Woolsey	26,425	.01½	.01½	.01½	.01½
50c	.22½	.07½	Nicola	49,300	.09	.10	.08	.10
50c	.07½	.02	Noble Five	58,620	.06½	.06½	.06	.06½
1	4.15	.65	Pend Oreille	7,375	3.95	4.15	3.85	3.85
No	.09	.02	Pilot Gold	57,400	.04½	.06	.04½	.06
1	11.85	5.05	Pioneer Gold	6,280	5.35	6.75	5.30	6.75
50c	.12½	.04	Porter Idaho	44,100	.11½	.15	.11½	.15
No	.03½	.00½	Premier Border	677,375	.02½	.05½	.02½	.04
1	4.50	1.80	Premier Gold	15,575	4.10	4.80	4.10	4.35
1	.05½	.01	Quatsino Copper	64,500	.05	.05	.04	.05
25c	.13½	.05	Quesnelle Quartz	8,400	.08	.11	.09	.11
No	.93	.05	Reeves McDonald	47,080	.80	1.00	.80	.95
1c	.09½	.02	Reliance	84,500	.02½	.03½	.02½	.03½
1	.50	.26	Relief Arlington	33,900	.34	.37	.31	.36
1	1.50	1.00	Reno Gold	2,500	1.19	1.25	1.18	1.20
1	.15	.02	Reward Mining	45,700	.07	.07	.06½	.06½
1	.05	.00½	Rufus Argenta	165,250	.03½	.05	.03½	.03½
1	.08	.01	Ruth Hope	7,000	.06	.05½	.05	.05½
1	.15	.07	Sally Mines	5,300	.10½	.11	.10½	.11
50c	.13½	.07½	Salmon Gold	18,900	.08½	.10½	.08½	.10½
50c	.97	.55	Sheep Creek	5,000	.78	.79	.75	.76
1	2.50	2.50	Sihak Premier	......	(2.65 bid 2.75 asked)			
1	.06	.02	Silverado	4,800	.05	.06	.05½	.06
5c	.08	.03	Silvercrest	9,600	.05½	.06½	.06	.06½
20c	.04	.01	Silversmith	69,700	.03½	.03½	.03	.03½
20c	.02½	.00½	Snowflake	40,500	.02	.02	.01½	.01½
51	.54	.36	Standard Silver	......	(.40 bid .45 asked)			
1	.45	.10	Sunloch	1,000	.40	.45	.35	.45
10c	24.25	16.50	Sunshine	......	(20.25 Dec. 21)			
No	.24	.06½	Taylor Bridge	4,000	.08	.10½	.07½	.10½
1	.27	.07	Taylor Windfall	......	(... bid .12 asked)			
No	1.88	.65	Vidette Gold	5,800	1.05	1.00	.93	.93
50c	.20½	.05½	Wayside	10,500	.06½	.07	.06½	.07½
20c	.06½	.01	Wellington	49,600	.05½	.05½	.04½	.04
50c	.32	.19	Wesko	16,950	.26	.26	.25	.26
1	.17	.02½	Whitewater	124,930	.13½	.19½	.18	.18
No	.69	.34	Ymir Yankee Girl	300	.35	.39	.39	.39
			OIL STOCKS					
1	.28½	.09	Alta. Pac. Cons.	35,995	.25	.28½	.23	.28½
1	.15	.04	Amalgamated	6,800	.06½	.06½	.06	.06½
1	.11	.02½	Anaconda	15,800	.08	.08½	.07½	.08
No	.16	.02	Associated	125	.10	.11	.11	.11
No	.05	.02	Baltac	4,700	.05	.05	.04½	.05
1	.43	.09½	Brit. Dominion	500	.16	.15	.15	.15
No	3.25	.79	Calgary & Ed.	22,707	2.62	3.25	2.51	3.20
1	.29	.04½	Commonwealth	10,950	.24½	.27	.23½	.27
1	.45	.05	Calmont	31,984	.38	.44	.44	.44
No	1.55	.36	Dalhousie	6,930	1.35	1.41	1.30	1.40
No	.06½	.02	Devenish	1,000	.05	.06½	.06½	.06½
No	.13½	.04½	Freehold	28,000	.13	.13	.12½	.12½
No	.28	.04	Hargal	5,900	.17	.16	.15	.16
No	.33	.09½	High Sarcee	5,680	.14	.15½	.15½	.15½
No	3.10	.70	Home Oil	6,510	2.85	2.95	2.65	2.95
No	.05½	.01	Madison	27,700	.04½	.05½	.04½	.05½
No	.25	.11½	Marjon Oil	6,900	.18½	.18½	.18	.18
No	.26	.05	McD. Segur Ex.	34,700	.18	.20	.17½	.20
1	.75	.20	McLeod	100	.57	.65	.65	.65
No	.33	.10½	Mercury	38,450	.24	.26	.23½	.25
No	.24	.09	Merland	10,600	.12½	.13	.12	.13
No	.25	.08	Mill City Pete	4,900	.19	.22	.21	.22
1	.53	.20	Model	12,575	.45	.50	.45	.48
5	.26	.10	Nordon	21,750	.18	.21	.17	.20½
No	1.15	.04	Okalta	26,220	.98	.99	.93	.99
No	.18	.04½	Pacalta Oil	34,060	.14	.15	.13½	.14½
1	.90	.24	Ranchmen's	7,900	.65	.75	.60	.74
No	50.00	26.25	Royalite	73	47.50	47.50	47.00	47.50
No	.80	.04	Southwest Pete	3,775	.65	.65	.60	.65
1	.30	.09	Spooner	2,400	.30	.27	.26	.26
No	.20	.05	United	13,775	.16	.17	.16½	.17
No	.12½	.04½	Vanalta	7,500	.10½	.10	.09½	.09½
1	1.06	.10	Vulcan	7,300	.90	1.06	.88	1.02
1	.08½	.06½	Wellington Oil	1,850	.07½	.08	.06½	.06½

Corporation Bonds

(Supplied by The Investment Dealers' Assoc. of Can.)

January 5, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Jan. 5	Asked	Bid Dec. 29
*Ass. Tel. & Tel.	5½	'55	86	89	87
Beauharnois P.	5	'73	61	64	62½
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Pwr.	5	'60	95½	98½	96
†Can. Nor. Pwr.	5	'53	102½	105½	103
*Dom. Gas & El.	6½	'45	94½	97½	93½
*Gatineau Pwr.	5	'56	102½	105½	102½
*Do., A	6	'41	100	103	100½
Do., B	6	'41	99	102	99
*Inter. Hydro-E.	6	'44	79½	82½	79
*Inter. Power	6	'57	95½	98½	95½
*Do.	6½	'57	98	101	98
†Maclaren-Que. Power	5½	'61	96	99	97
†Do.	5½	'64	95½	98½	97
†Mtl. Island Pr.	5½	'57	103½	106½	104½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	103	106	103½
†Do.	5	'55	82	85	83
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l. L. & P.	6	'49	97	100	96½
†N. S. L. & Pr.	5	'58	103	106	103
Do.	5	'65	102	105	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	92	95	89
†Power Corp.	4½	'59	100	103	100
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104½	107½	104
†Shaw. W. & Pr.	4	'61	99½	102½	99½
†Do.	4½	'70	103½	106½	103½
†South. Can. Pr.	5	'55	102	105	102½
†United Secs.	5½	'52	78½	81½	79
*Winnipeg Elec.	4½	'60	104	107	104
Do., A	4	'65	81	84	81½
Do., B	4	'65	73	76	73½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	85½	88½	79½
†Alta. Pac. Gr.	6	'46	96	99	96
Asbestos Corp.	5	'42	110	113	110
B. A. Oil	4	'45	103½	106½	103½
Canada Bread	6½	'41	109	112	109
†Can. Cement	4½	'61	103½	106½	103½
†Can. Steamship	6	'41	66½	69½	64
Can. Canners	4	'51	99½	102½	99½
Can. Bakeries	6½	'45	99	..	99
*Can. Inter. P.	6	'49	101	104	101
C. P. R.	3½	'51	101	104	100
Do.	4	'49	105½	108½	105½
Do.	4½	'44	102	105	102
Do.	4	Perp.	98	101	97½
†Can. Vickers	6	'47	99½	102½	99
†Consol. Paper	5½	'41	78½	81½	70
*Dominion Coal.	6	'55	100	103	99½
Dom. Sq. Corp.	6	'48	66	70	66
‡Dom. Stl. & C.	6½	'55	90	93	88
†Dominion Tar	4½	'51	101	104	101
†Donnacona P. 3-4-4½		'56	88½	91½	88½
†Eastern Dairies	6	'49	82½	85½	82½
†Famous Play.	4½	'51	100	103	100
†Federal Grain.	6	'49	99½	102½	100
†Fraser Cos.	6	'50	102	105	101½
†Gen. Steel W.	6	'52	103½	106½	103½
*Gt. Lakes Pap.	5	'55	87½	90½	87½
†Gypsum, L.&.A.	5½	'48	102	105	102
†Gr. Br. & Can. Invest.	4½	'59	85	88	85
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'55	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	98	101	98
†Inter. P. & P. Nfld.	5	'68	103½	106½	103
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	55½	53½	55½
†Kingston Elev.	6	'50	98	101	98
†Lake St. John P. & P.	5½	'61	99	102	99
†Lond. Can. Inv.	4½	'48	94½	97½	94
†Maple L. Mill.	5½	'49	81½	84½	81½
†Massey-Harris.	5	'47	97½	100½	95
†McColl-Front.	6	'49	104	107	104
†Mercury Mills.	5½	'53	76	79	76
†Mersey Paper.	6	'49	99	102	99
*Minn. & O. P.	6	'45	62	65	56
Mtl. Dry Docks	6	'43	94	97	93
Nat'l Grocers.	4	'36-'47	101	..	101
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	97½	100½	97½
*Prov. Paper	5½	'47	102½	105½	103
Queen's Hotel.	6	'47	98½	101½	99
†Restigouche Co.	6	'48	109½	112½	109½
Rich. Bay Bldg.	6½	'47	100½	..	100½
†Riordon P. & P.	6	'42	104	..	104
†Rolland Paper.	4½	'51	103	106	102½
Ruddy & Co.	6½	'48	99	102	99
†Smith, Howard	4½	'51	102	105	102
*Spruce Falls P.	5½	'42	101	104	101
†Steel of Can.	6	'40	112½	115½	112½
Sterling Coal	6	'40	90	..	90
Stop & Shop	6	'47	70	75	69
Twin City	5½	'52	93	96	92½
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	96½	99½	96½
Unit. Grain Gr.	5	'48	95½	98½	96
Do.	5½	'49	98½	101½	98½
Union Gas	4½	'43-'50	98	101	98
†Wabasso Cotton	4½	'51	97	100	..
Zimmerknit	6	'51	100	103	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U.K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Jan. 5, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	5.05	5.25
Do., pfd.	5.10	5.40
Acme Farmers Dairy, 7% pfd.	42.00	....
Andian National	48.00	49.50
Assoc. Tel. & Tel., pfd.	50.00	54.00
B. C. Pulp & Paper, pfd.	24.00	....
Burns & Co., A	11.00	11.75
Do., B	7.00	7.50
Canada & Dom. Sugar	67.50	68.50
Canada Starch, com.	25.00	....
Do., pfd.	99.00	....
Can. Tube & Steel, com.	7.50	....
Do., 1st pfd.	73.00	....
Do., 2nd pfd.	17.00	19.50
Can. Wire & Cable, pfd.	119.00	121.00
Can. Airways	9.50	11.00
Can. Industries, A com.	243.00	248.00
Do., B com.	243.00	248.00
Do., pfd.	164.00	166.00
Can. Ingersoll Rand	128.00	133.00
Can. Westinghouse	72.50	74.00
Chase, A. W., pfd. bonus	27.00	....
Claude Neon Gen. Adv., pfd.	9.00	....
Conduits Nat., new com.	5.25	5.50
Dom. Found. & Steel, com.	86.00	....
Do., pfd.	96.50	98.00
Dominion Rubber, pref.	100.00	102.00
Dunlop Tire, pfd.	81.00	83.00
Eastern Dairies, pfd.	17.00	18.00
Federal Grain, com.	3.50	4.00
Do., pfd.	46.00	48.00
Goderich Elevator	9.30	10.50
Great Lakes Paper, com.	13.00	13.75
Do., pfd.	31.50	32.50
Greening Wire, pfd.	....	110.00
Guelph Carpet, pfd.	105.00	108.50
Do., com.	23.75	24.50
Hayes Steel Prod., com.	6.50	....
Do., pfd.	7.00	8.00
Highland Dairy, com.	3.00	4.00
Do., pfd.	....	83.75
Inter. Bronze Powers, pfd.	31.50	....
Inter City Baking, com.	36.00	39.00
Inter. Met. Indust., A pfd.	83.00	....
N. Meth. Laund., pfd. bonus	83.00	....
Provincial Paper, pfd.	105.00	107.00
Reliance Grain, pfd.	96.00	98.00
Rob. Consol. Cone	9.00	9.75
Ruddy, E. L., pfd.	40.00	42.50
Standard Fuel, com.	9.00	10.00
Do., pfd.	105.00	108.00
Super. Petroleum, B pfd.	27.00	28.00
United Steel, A pfd.	14.50	....
Western Grain, pfd. bonus	10.50	12.00
Wings Limited	2.30	2.45
Trust & Loan Stocks:		
Chartered Trust	87.00	....
Commercial Finance, com.	2.60	3.00
Gueph Ont. Inv., par $50	49.00	50.75
London & West. Trust	53.00	56.00
Sterling Trust	33.00	....
Traders Fin. Inc. Rts.	10.00	....
Traders Fin., B 7% pf. bonus	85.00	....
Trusts & Guarantee	30.00	32.50
Insurance Stocks:		
British America	50.00	....
Canada Life	532.00	545.00
Canadian Fire Ins.	76.00	....
Canadian Ins. Shares	12.50	....
Confed. Life 20% pd.	112.00	115.00
Continental Life 20% pd.	39.00	44.00
Crown Life 100% pd.	150.00	....
Dominion Fire	135.00	....
Dominion Life 50% pd.	265.00	300.00
Dom. of Can. Gen.	120.00	130.00
Empire Life 25% pd.	7.50	8.50
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	41.00	....
Fidelity Ins. of Can.	46.00	....
Great-West Life	360.00	373.00
Guar. N. A. fully pd.	285.00	300.00
Halifax Fire	21.75	23.00
Imperial Life	360.00	....
Manufacturers Life	245.00	255.00
Monarch Life 10% pd.	20.00	21.75
National Life 25% pd.	45.00	50.00
Sovereign Life 25% pd.	15.00	18.00
Sun Life Assurance	690.00	710.00
Toronto General	5.25	6.00
Western Assurance, com.	46.00	48.00
Do., pfd	41.00	45.00
Theatre Stocks:		
Allens Beach, pfd.	68.00	71.00
Do., Kingston, pfd.	62.00	....
Do., Parkdale, pfd.	72.00	....
Do., Toronto, 7% pfd. bonus com.	30.00	35.00
Eastern Theatres, pfd.	71.00	73.00
Loew's Buffalo, pfd.	3.50	4.00
Do., London, pfd.	2.75	3.10
Do., Toronto, pfd.	120.00	....
Mansfield Theatre, pfd.	33.00	....
Paramount Kitchener, pfd.	53.00	....
Do., Oshawa, pfd.	88.00	95.00
United Amusement, A	22.00	....
Do., B	21.00	....
Investment Trust Shares:		
Can. Gen. Invest.	10.55	....
Can. Int. Invest. Trust Units	105.00	....
Can. Investors Corp.	9.50	10.25
Cons. Div. Std. Sec. Units	18.00	19.50
Corporate Investors	....	8.00
Dom. Scott. Invest. Units	44.00	48.00
Invest. Foundation Units	66.00	68.50
Sec. Holding Corp. Units	24.00	25.50
Third Can. Gen. Invest. Tr.	2.00	....
United Corpns., A	27.00	28.00
Do., B	19.00	20.00
Power Issues:		
Calgary Power, pfd.	79.00	81.00
Can. West. Nat. Gas, pfd.	90.50	92.50
Do., com.	24.00	27.00
Great Lakes Power, pfd.	99.00	101.00
Inter. Util., $1.75 pfd.	12.25	13.50
Do., $7 pfd.	95.50	98.50
Montreal Island Pwr., pfd.	17.00	20.00
Nor. Ont. Power, pfd.	103.50	105.00
Nova Scotia L. & P., pfd.	104.00	106.00
Do., com.	95.00	....

Winnipeg Stocks

(Transactions from Dec. 23 to Dec. 31)

	Sales	High for period	Low for period	Close Dec. 31
Cres. Cream, pf.	5	36.00	36.00	36.00
Bailor Gold	7,500	.06	.05	.05
Cryderman	3,500	.02½	.02	.02½
Flin Flon	12,800	.20	.18	.19
Geneva	100	.50	.50	.50
Gt.-West Life	15	355.00	355.00	355.00
Gt. Falls M.	1,500	.20	.19	.20
Gold Lake	13,200	.05½	.04	.04
Gurney Gold	655	.53	.50	.52½
Herb Lake	8,594	.22	.22	.22
Island Lake	13,500	.03½	.02	.03½
Knee Lake	3,000	.03½	.02	.03½
Kingfisher	1,000	.01½	.01½	.01½
Oxford Mines	550	.60	.60	.60
Rel. Grain, pf.	20	95.00	95.00	95.00
Packsack	3,000	.24	.24	.24
United Grain	33	10.00	9.75	10.00
Wingold	10,500	.06	.05½	.06
Wings Ltd.	2,100	2.75	2.45	2.45
Wpg. R. Tin	5,000	.02	.01½	.02
Wallace Lake	9,500	.03½	.02½	.03
Wylie Dom.	1,000	.41½	.40	.41
West. Steel, p.	10	7.50	7.50	7.50

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Home Invest.	19	..
Northern Mtge., part pd.	..	3¼
North. Can. Mtge., pf.	4	..
Northern Trust	..	9½
Traders Bldg.	90	

*Stocks more active on other exchanges not included.

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	114.00	115.50	4.00
Hamilton	5	1950	112.00	113.50	3.72
Montreal	5	1945	105.00	107.00	4.00
Ottawa	4½	1945	109.00	111.00	3.00
†Quebec	5	1959	106.50	108.00	4.43
Saint John	5	1950	107.00	108.50	4.19
†Toronto	4½	1955	112.00	114.00	3.45
†Vancouver	5	1950	92.00	96.00	5.42
Winnipeg	5	1944	98.00	102.00	4.67

†Payable Can. and N.Y.

Unlisted Mines

January 5, 1937

	Bid	Asked
Admiral	.35	.37
Amos Cadillac	.28	.30
Albany River	.98	1.02
Algold	.43	.44
Algoma Summit	1.60	1.70
Arrowhead	.46	.49
Area	.07	.07½
Bailor	.05	.06
Bathurst	..	.04½
B. E. A. R.	..	.27
Big Long Lac	.06	.08
Bilmac	.23	.26
Black Gold	.40	.42
Blue Star	.25	.27
Beresford L.	.56	.60
Brae Breest	.23	.25
Brengold	.15	.17
Bousquet	.08	.09
Callinan Flin Flon	.15	.15½
Can. Pandora	.18½	.20
Can. Kirkland	.02¼	.02¾
Candalaca	.31	.34
Casey Summit	.20	.23
Casey Contact	.03½	.04
Centrecour	.22	.25
Colonial	.40	.43
Coin Lake	.19	.22
Condor	.07¼	.08
Continental Kirk.	.47	.48
Crescent Kirk.	.23	.26
Cuniptau	.11	.13
Darwin	.32	.35
Dempsey Cadillac	.35	.38
Delwood	.20	.22
Derlak	..	.24
Desantis	.70	.75
Dona Pat.	..	.36
Don Martic	.28	.30
Doreva	.63	.65
Dunlop	.16	.17
Electra P.	.34	.37
Empress Cons.	.46	.50
Eva Lake	.15	.17
Faulkenham	.38	.40
Forty-Four	1.75	2.25
Franklin	.02	.02½
Frontier R. Lake	.18	.19
Garnet	.06½	.08
Gateway Pat.	.12	.15
Gilbec	.06	.06½
Gillies Lake	.52	.54
Goldside	.05½	.06½
Gold Eagle	.88	.92
Golden Gate	.48	.50
Gordon Lebel	.18	.20
Hayes Cadillac	..	.18
Holytrex	.04¾	.05¼
Horseshoe	.12½	.13
Hudson Patricia	.09	.11
Hutchison Lake	.24	.26
Jellicoe	.39	.42
Johnson Nipigon	.05	.06
Kaw Crow	.14	.16
Kenecho	.14	.16
Kenricia	.95	1.00
Keora	.04	.05
Kerr Addison	.46	.48
Kew 'Gama	.81	.86
King Kirk.	.04	.05
Kirgood	.25	.27
Kirk. Gold Belt	.12	.15
Kirk. King	.20	.24
Lafayette	.03½	.04½
Lamaque	8.60	9.00
Lapa Cadillac	1.24	1.27
Leitch	.88	.92
Madsen	1.32	1.35
Magnet Lake	.11½	.12½
Malartic Gold	.54	.58
Martic McNeely	.06	.07
Martin Bird	.03½	.33
Margaret	.35	.38
Maritime	.40	.45
Manitoba Basin	.03½	.04½
Matachewan Canadian	.18	.20
Moffatt, new	.08	.09
McFarlane	.05	.06
McCarthy Webb	.42	.46
McVittie Kirkland	.05¼	.06¼
Mooshla	.62	.64
Monarch Mines	.34	.37
Mosher	.42	.45
Murmac	.10	.12
Normets	1.55	1.65
North Shores	.03½	.04½
Oklend	.68	.71
Old Diamond	.43	.46
O'Leary	.19	.21
Opemiska Copper	..	.50
Oriole	.17½	.18
Oremond	..	.23
Ossian	.10	.12
Pandora Cadillac	.92	.96
Pascalis	.39	.42

UNLISTED MINES (Continued)

	Bid	Asked
Porcupine Gold Reef	.02	.03
Porcupine McNabb	.18	.20
Porcupine Lake	.50	.54
Porcupine Triumph	.16	.18
Phoenix Molybdenite	.54	.58
Porquin	..	.19
Red Crest	1.80	1.88
Rajah	.28	.30
Richmac	.40	.42
Roeanor	.19	.22
Rouyn Reward	.07¾	.08
Rubec	.09½	.11
Sand River	.31	.32
Schreiber	.12	.12½
Shenango	.23	.27
Silver Valley	.14	.15
Skookum	.20	.23
Siscoe Ex.	.47	.50
Slave Lake	3.45	3.50
Smelter	.10	.11
South Keora	..	.10
Spooner	.20	.22
Sturgeon River	.45	.48
Springer Sturgeon	.15	.17
Tonawanda	.09½	.10½
Upper Canada	.51	.54
Wesley	..	.27
Westside	.07	.09
West Red Lake	.07	.08
White Horse	.14	.17
Wendigo	.29	.31
Winoga	.41	.44
Young Davidson	.17	.19
Young Shannon	.14	.17
Ypres Cadillac	.29	.33

Week in Wheat

New Wheat Shipments Relieve Shortage Fear

Reaction Is General in All Markets as Immediate Supplies Increase and Speculators Take Profits — Uncertainty

From Our Own Correspondent

WINNIPEG.—This week's reaction in wheat prices was not peculiar to Canada but was also a feature on Liverpool and Chicago. It appears to have originated mainly in Liverpool and on the continent, with a slackening in demand for immediate purchases.

Anxiety for supplies has been checked by approaching heavy shipments from the Argentine, and considerable quantities of new Australian wheat are en route to Europe. Recent high prices have also resulted in heavier and somewhat unexpected shipments from India.

There have also been some technical features to the reaction. Holders who had accumulated wheat at lower levels have taken profits when it appeared that the advance had possibly run its course.

Moisture in the far southern states had some effect in weakening the United States market. On the whole the market still anticipates a poor out-turn of wheat on the North American continent in 1937, but it will be two months yet before any signs of real winter damage are apparent, and nothing can happen in the interval to make the outlook worse, while improvement is possible through heavy snowfall.

It will probably require a stimulation in demand by importing countries to bring out another advance in prices in the immediate future, although the steady exhaustion of world supplies will make for basic market strength. Such strength is indicated by the steadily increasing premium for May delivery over the July future, as the market evidently expects Canadian wheat to be comparatively scarce by May.

Board Answers Criticism

SHARPLY rising wheat prices in the last six months were bound to give rise to criticism of the Canadian Wheat Board's active selling which has reduced carryover from a year ago by 150 million bushels. The temptation to compare prices of what the Board probably received for the wheat sold and what might have been received had that grain been available for sale at present levels, was too strong to be resisted. In its recent report for the crop year ended July 31 last, however, the Board comes out frankly in reply to such criticism, stating:

"Just what these critics would have had to say if the United States had harvested anything like a normal crop on their large acreage of winter wheat planted in the fall of 1935, and if the promise of June, 1936, conditions in Western Canada had been fulfilled, cannot now be known.

"It may be recalled that as late as June 23, 1936, one Canadian authority forecast a crop of 400 million bushels for Western Canada.

"Conscious that we possessed no supernatural power which would enable us to forecast weather and crops many months in advance, the Board consistently adhered to a policy designed to reduce the Canadian surplus to reasonable proportions by the end of the crop year.

"It seemed obvious to the Board last winter that such was the only common-sense policy to follow. It needed no special foresight to realize in Jan., 1936, that if crops in North America in 1936 proved to be large, then everyone would be thankful that a big reduction had been made in the Canadian carryover.

"If crops turned out poorly, then this reduction in the surplus would have removed the greatest obstacle standing in the way of Canadian farmers getting a good price for their 1936 crop."

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Washington Bears

OFFICIAL Washington in its efforts to scare spring wheat farmers into reduced sowings, is leaving no stone unturned. The record fall wheat acreage in that country is being held up as menace to 1937 wheat prices. Growers have been warned repeatedly that an export surplus will automatically remove the protection of 42 cents per bushel and force them to accept world levels. Even Canada's meagre little fall wheat acreage, which for the first time in years shows indications of getting back to normal, has not been overlooked. States the U. S. Department of Agriculture:

"The United States has sown the largest acreage of winter wheat on record—more than 57 million acres. Canadian fall wheat seedings total 702,000 acres compared with 585,000 acres in 1935, an increase of 20%. At the same time, increased plantings in the Danube countries, the British Isles, India, and the Soviet Union are reported."

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And Trade Bulls

IN SHARP contrast is the tone of the average trade forecast, which generally predicts a maintenance of at least present high levels. Lack of moisture in the spring wheat belt and winter damage to the wheat already seeded are stressed strongly. Here is a typical sample from the Cargill Crop Bulletin:

"With an unusually dry, hot summer and very little rain during the fall months, subsoil moisture is practically gone. Canadian provinces report the same dry subsoil conditions, especially in the former dry areas. Some claim that fall moisture is not so necessary for spring wheat as for winter wheat, but the necessity of having subsoil moisture at any time is essential for a crop. Generous and timely rains next spring and summer will no doubt bring good results, but may also bring another rust epidemic similar to 1935. Altogether prospects for spring wheat are not promising.

"The billion bushel crop of wheat, as talked about by our (U.S.) agricultural officials, is an impossibility under present conditions. With an estimate of 57,000,000 acres planted to winter wheat (which seems rather high) and with the most ideal conditions possible during the growing season and no abandonment, we might be able to reach this figure. But as one-third of the winter wheat area is in the present dry section of the country, and with the thawing and freezing that may occur during the winter in the good areas of the eastern states, it is quite possible that the abandonment may be unusually heavy this season."

The bewildered neutral observer may well sit back and wait a few months until these new North American crops are a little nearer harvesting. Much may develop in the way of favorable or unfavorable factors between the end of May and the middle of July, let alone in the period that elapses before the first date mentioned. Beyond recognizing the fact that a big yield is always possible on the North American continent that is about as far as one is safe in saying at this time.

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Barley Declines

BARLEY prices receded after the close of December future, as a tight situation in deliveries for that month had forced prices out of line. Only a small quantity was affected, representing hedges against a limited quantity of barley held in country elevators.

A similar tightness is evidently anticipated in May barley, with that month already showing a premium of seven cents over the July, but the latter position is more interesting than important.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1937, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 8th December, 1936.

Albertan Publishers Limited

Notice is hereby given that a dividend at the rate of five per cent (5%) per annum has been declared on the Preference Shares of the Company, for the period ending December 31st, 1936. Payable to registered shareholders on January 1st, 1937.

By order of the Board,
O. C. ARNOTT,
Secretary.
Calgary, Alberta,
December 31st, 1936.

Penmans Limited

Dividend Notice

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1937.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1937.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1937.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, December 30, 1936.

Alonzo Taylor Heads General Mills Research

Dr. Alonzo E. Taylor, internationally-known authority on foodstuffs and particularly wheat, has been appointed chairman of the research committee of General Mills Inc. at Minneapolis. Since 1921 Dr. Taylor has been a director of the Food Research Institute of Stanford University, California.

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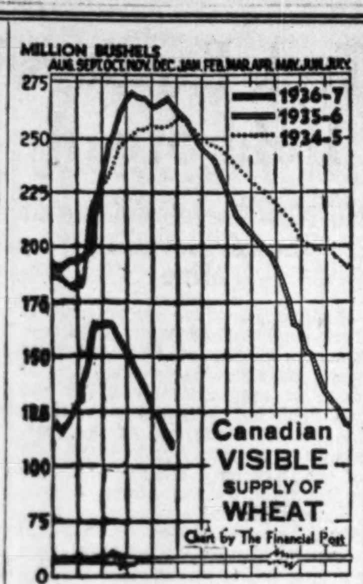

LITTLE CHANGE

Canadian wheat stocks in marketable positions entered the new year at approximately 113 million bushels or more than 145 millions below the same day a year ago.

Since the middle of December net decline has been only a trifle over two million bushels. Usual holiday shrinkage in exports coupled with increased country deliveries attracted by higher prices and made possible by favorable weather, have been responsible.

Observers generally predict probability of lighter exports of Canadian wheat in the next few months or until the rush of Argentine and Australian shipments is over.

Details in bushels are as follows:

Canadian Visible

Week of Jan. 1	Week Previous	Last Year
113,352,000	115,539,000	260,746,000

Export Clearances*

Week of Jan. 1	Week Previous	Last Year
3,787,203	3,491,563	2,066,236

*Plus U. S. imports.

Commodity Markets

RUBBER PROSPECTS

Spotlight on the commodity stage still centres on the rubber situation. Despite two increases in export quotas, prices rose steadily and very sharply until late in December. Belief that additional measures would be taken by the regulating committee to keep the situation in hand is credited with bringing future quotations to a lower level. From a high of 23.26 cents on Dec. 28, March rubber prices dropped to 19.90 cents on Jan. 5.

Liquidation of speculative holdings is also considered a factor in this drop. Speculation had been apparent in recent weeks in London and New York and was one of the chief factors in hoisting the price to a level which rubber men described as "ridiculous."

Near-by deliveries are selling at a premium above "distants," however, reflecting the belief that supplies will be relatively scarce in the early part of this year. Considerable criticism is being directed at the committee for allowing world stocks to drop to what many regard unjustifiably low levels. Quota-raising action came too late to be of much importance in the immediate future, it is claimed.

Year-end world stocks of rubber are placed at about 500,000 tons, with depletion of about 20,000 tons anticipated in the first quarter of 1937. Consumption for this period is estimated at 275,000 tons, possibly more. Production, on the other hand, is not expected to exceed 257,000 tons.

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COTTON MARKETING

The United States Government announced this week that a "reasonable" amount of the three million bales of cotton which it holds will be liquidated in February and March. The action results from absorption of almost all of the 1936 crop. Just what figure "reasonable" implies is impossible to determine, but officials stressed that the move does not represent part of a liquidation programme, but is being put into operation to prevent a tight situation in the market.

The effect should be slightly lower prices.

• • •

WOOL SITUATION STRONG

The outlook for wool prices appears definitely strong. Supplies, as nearly as can be judged, are short, and are going into consumption rapidly. Mills are exceptionally busy; many cannot cope with orders on hand. As an instance, it is stated that some of the largest blanket mills in the country are booked right up on orders for next fall delivery. Apart from the rising domestic demand, requirements of importing countries abroad continue strong, due in part to armament expenditures.

• • •

PRICE RANGE

	Latest week $	Previous week $	Same week last yr. $
Cattle	6.40	6.25	7.50
Hogs	9.40	9.00	9.50
Copper, lb.	.12	.11⅝	.09¼
Cotton, lb.	.1259	.1263	.1180
Rubber, lb.	.2137	.2150	.1350
Sugar, raw, lb.	.0396	.0390	.0330
Silk, lb.	2.01	2.05	....
Wheat (Man.) bus.	1.29⅛	1.27½	.85¼
Coffee, lb.	.11¼	.11¼	.08½
Hides	.15½	.15½	.15
Weekly Indices			
N. Y. Annalist	137.1	134.8	129.4
Fishers'	88.8	87.9	84.0
N. Y. Journal of Comm.	86.7	86.2	81.7
Crumps (Brit.)	77.2	76.5	68.6
U. S. Labor	83.7	83.4	80.4
Canada (D.B.S.)	79.5	77.9	72.8

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Nov.)	81.7	81.5	80.6
W'sale (Nov.)	77.2	77.1	72.7
U. S. Labor (Oct.)	81.5	81.6	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929=100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North. Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, Chicago: Hogs—select bacons, Toronto.

BILTMORE HATS Limited

NOTICE is hereby given that a half-yearly dividend of one dollar ($1.00) and an extra dividend of fifty cents (50c.) per share has been declared on the outstanding common shares of the Company, payable January 22nd, 1937, to shareholders of record January 15th, 1937.

By Order of the Board,
W. F. FRANKE,
Secretary-Treasurer.
Guelph, December 29th, 1936.

Wheat Board Gross Losses $40 Millions

But Recent Higher Prices May Cut Deficit 60 Per Cent

BLAME SET PRICE

From Our Own Correspondent

WINNIPEG.—Losses on wheat operations by the Dominion Government have been largely wiped out by price advances during the current crop year. But it seems probable that when accounts are finally closed the Government will be still some millions of dollars in the hole on the mass of transactions conducted by the Wheat Pool under John McFarland's management, and by the Wheat Board.

"Stabilization" as a whole may actually be found to have made a slight profit, but not sufficient to wipe out the loss of $11 millions on the Wheat Board operations on 1935-36, just revealed by the published report of the Wheat Board.

Minimum Too High

In 1935-36, the Wheat Board received 150 million bushels of wheat from farmers (about 70% of the total crop marketed that year) and paid farmers a basic price of 87½ cents per bushel. Sales were practically completed before July 31 last, at a net basic price after expenses were paid, of 80.3 cents per bushel for No. 1 Northern, and the loss was increased by additional losses of about 5 cents a bushel on durum wheat handled.

When the new Wheat Board was appointed in Dec., 1935, it took over from its predecessors 205 million bushels which had been accumulated during the stabilization operations of previous years.

On Dec. 2, 1935, an apparent loss of approximately $16 millions was established, on the basis of the market price of the day, which was close to the Wheat Board's minimum price of 87½ cents for new crop wheat.

Money was voted by Parliament to take care of this, but whether it was actually paid over, or simply held available has not been made clear.

Of the 205 million bushels of wheat taken over the Board sold approximately 125 million bushels during the past crop year. Presumably on this wheat an additional loss was established by July 31 last, although no information is yet available either as to the average sale price of such wheat or the carrying charges involved.

Most of the sales of this old wheat, it seems probable, were made toward the end of the crop year, after 1935 wheat was pretty well out of the way. The market was then fairly strong, but after carrying charges had accumulated, a loss of about $8 millions would seem fairly certain.

In addition the Government had voted approximately $6 millions to cover adjusted payments to 1930 pool farmers, for which a responsibility was assumed on account of complications between pool and stabilization operations.

With a considerable and unstated amount of old wheat still to be liquidated by the Canadian Wheat Board it is impossible to present detailed figures but a balance sheet drawn up on Jan. 1, last would appear something like this:

Canada's Wheat Losses to July 31, 1936

	$
Write-off Dec., 1935, when Murray Board took over 205 million bu. of carryover from 1930-34 crop	16,000,000
Government payment to pool growers, 1930 crop account	6,000,000
Additional loss 1931-32-33-34, crops taken over at market price Dec., 1935	8,000,000
Board announced loss on 1935 crop of 138 million bu. delivered to Board at minimum basic price of 87½ cents per bu.	11,000,000
	41,000,000
July 31, 1936, to Dec. 31, 1936	
Possible profits on old wheat (1930-34 crops) sold as a result of higher prices	22,000,000
Estimated net loss to date	19,000,000
Future profit on old wheat possibly 40 million bu. still in hands of Board	??,???

Poor Domestic Wheat Crop Explains Italian Imports

The 1936 Italian wheat crop is estimated by the United States Department of Agriculture at approximately 227 million bushels. This compares with almost 284 millions a year ago. The drop of close to 60 million bushels is closely equivalent to the amount of importing either done or contemplated by Italy this season.

Big German Wheat Imports Not Regarded as Lasting

No matter what the present year may witness in the way of German wheat buying, the current monthly bulletin of the Food Research Institute of Stanford University comes to the conclusion that no permanent restoration can be expected of the pre-depression level of imports. World economic recovery it is admitted may help to undermine European policies of self-sufficiency in the matter of food, but no substantial enlargement of wheat-buying by Germany is anticipated.

Increased net imports of wheat may well occur over the next ten years, it is stated, but probably in a degree representing only fractional restoration of the level of imports before the recent era of German domestic agricultural expansion. An increase in German food consumption of wheat is expected barring, of course, an emergency such as war and depression. But domestic production also is reported to be increasing and provided consumption does not jump rapidly the author of this report, Naum Jasny, an experienced observer of German agriculture and trade, estimates that domestic production can be stimulated to keep pace.

The study gives a very complete picture of the German wheat situation.

Company Reports

Honey Dew Ltd.

Net loss of $2,274 for the year replaced a minor net profit earned in the preceding 10 months, according to the annual financial report of Honey Dew Ltd. for the 12 months ended Oct. 31, 1936. Chief reason was a high expense ratio for rentals of many of the company's stores, arising from leases made in 1928 and which will have another two years to run, according to E. P. Taylor, president.

Sales were maintained at more than $1 million against $824,799 in the 10 months of 1935 but rentals totalled $160,174 or 15.1% of sales, a percentage claimed unduly high for the type of business in which the company is engaged. Future rental arrangements will be made on a basis to ensure that each shop will earn a satisfactory profit, the report adds.

A deficit of 15 cents a share on the preferred resulted from the year's operations against earnings of three cents a share in 1935. Deficit on the common equalled 99 cents a share against 96 cents in 1935. Expansion of operations by the opening of two new restaurants in Toronto during 1936 has produced a satisfactory volume of business but no further expansion is planned until working capital position is strengthened.

Comparative figures follow:

Income and Surplus Account

	12 mos. ended Oct. 31 1936 $	10 mos. ended Oct. 31 1935 $
Gross sales	1,060,294	824,799
Less: Oper. expenses	1,012,510	794,247
Operating profit	47,784	30,552
Add: Interest earned	4,098	4,293
Net earnings	51,882	34,845
Less: Depreciation	45,457	27,037
Res. for income tax	964	1,114
Int. on purch. of U. S. rights	7,735	6,232
Net profit	*2,274	462
Add: Prev. surplus	143,732	143,270
Less: Loss on fixed assets in shops closed & on unsale. equip.	18,792	......
Adjust. of prov. tax	870	......
Balance forward	121,796	143,732

*Deficit.

Working Capital

	1936 $	1935 $
Current assets	45,439	47,271
Current liabilities	90,516	63,401
Excess of liabilities	45,077	16,130

Donnacona Paper

Donnacona Paper Co.'s consolidated earnings for 1936 are estimated at $270,000 as against $207,075 in 1935. The surplus available after interest charges, but before depreciation and depletion, to the end of November, totalled $77,432.

Consolidated balance sheet as at the end of November, issued in conjunction with the current financing, indicates a number of changes from those reported at end of 1935. During the 11 months period, secured bank loans increased from $96,900 to $315,500, while bank overdraft advanced from $12,601 to $93,589. Current liabilities as a whole increased about $260,000 during this period, but the gain in current assets was of almost equal proportions. Accounts receivable increased from $201,688 to $411,513, indicating the greater volume of business now being handled by the company. While there was a drop in advances on woods operations of about $108,000, there was an increase in inventory from $487,365 to $646,414.

Reflecting the programme of expansion, the Nov. 30 balance sheet carries an item of $76,527 reflecting improvements and betterments to plant. In addition deferred charges to operations increased from $27,507 to $69,761.

Foreign Power Securities

Foreign Power Securities' report at the end of October 31 last shows a reduction in earnings and market value of investments. Total income $175,074 compared with $221,551 in the previous 12 months. In both cases net income was sufficient to cover bond interest, but no payments were made on the preferred stock which is now $27 a share in arrears.

The balance sheet as at the end of last October shows a book value of investments of about $10.4 millions against which the market value in Canadian currency is just under $3 millions. The previous report showed a book value of investments of over $10.5 millions and a market value of $3.8 millions. Offsetting this decline, in part, was the increase in cash and call loans of $23,546 to $182,714.

The decline in the value of investments was largely accounted by France going off the gold standard. Since the close of the fiscal year, however, the market value has increased over $250,000.

The only change of interest among the liabilities is the reduction of $34,500 in the par value of outstanding bonds, which now total $2,362,000.

Profit and Loss Account
Year Ended Oct. 31

	1936 $	1935 $
Total revenue	175,074	221,561
Less: Expenses	14,731	13,317
Directors' fees	1,380	1,500
Exec. salaries	3,600	3,600
Legal fees	1,020	......
Income tax	......	602
Bond interest	144,294	183,972
Balance	10,049	18,570
Add: Disc. bonds purch.	9,325	221,673
Previous surplus	619,146	382,112
Less: Adjustments	782	3,209
Surplus forward	637,738	619,146

Orange Crush Ltd.

Earnings of 34 cents a share on the old preferred stock of Orange Crush Ltd. in the fiscal year ended Oct. 31, 1936, show improvement over the 20 cents a share earned in the preceding year. A statement over the signature of E. P. Taylor expresses the hope of inaugurating dividends on the preferred this year.

On the basis of the new capitalization, which consists of 30,000 preference shares carried at $240,000 and 45,500 common at $45,500, earnings for the year on the preferred would equal four cents a share.

Working capital is slightly lower at $37,533 against $40,683 at Oct. 31, 1935.

Comparative figures follow:

Income and Surplus Account
Years Ended October 31

	1936 $	1935 $
Oper. profit	37,994	19,516
Add: Int. disc., etc.	795	501
Total net earnings	38,789	20,017
Less: Int. & exchange	704	579
Depreciation	20,400	15,821
Prov. for doubt. accts.	1,544	1,607
Int. tax prov.	6,043	27
Inventory adjust.	......	577
Idle plant costs	......	77
Net profit	10,098	1,329
Less: Prev. deficit	837,303	835,914
Adjustment	......	2,718
Add: Surp. from reorg.	841,212	......
Surplus forward	14,007	*837,303

*Deficit.

Working Capital

	1936	1935
Current assets	61,672	55,085
Current liabilities	24,139	14,402
Working capital	37,533	40,683

Medicine Hat Greenhouses

Medicine Hat Greenhouses Ltd., Medicine Hat, Alta., reports a deficit of $15,887 for the year ended July 31, 1936, compared with a profit of $22 in the previous year. The poorer showing is due to lower sales and increased expenses due to interest paid on bonds issued in connection with the reorganization in 1935.

As at July 31 last, funded debt consisted of $325,000 of 3% bonds, which were issued to preference shareholders in connection with the reorganization in 1935. Capital stock consists of 85,000 common shares, par value $1.

Income and Surplus Account
Years Ended July 31

	1936 $	1935 $
Revenue:		
Sales	85,028	93,791
Rentals	200	173
Int. on investments	270	439
	85,498	94,403
Less: Operating exps.	77,575	80,091
Net earnings	7,923	14,312
Less: Income taxes	....	5
Bond interest	9,750	....
Depreciation	13,760	14,354
Non-oper. exps.	300	....
Add: Profit on sale of investments	....	69
Deficit	15,887	*22

*Net profit.

International Petroleum Seeks New Oil Field

International Petroleum Co. will explore for oil in new territory in Colombia through acquisition by its subsidiary, Tropical Oil Co., of a substantial interest in National Carare Co. Exploitation for oil will be conducted under leases held by National Carare Co. on some 80,000 acres in the state of South Santander, Colombia.

Present production of oil by International Petroleum in Colombia is almost entirely from the huge de Mares concession of some 1.3 million acres. The new tract to be explored is not far distant, and if oil is discovered it can be transported by a comparatively small extension of the pipe line of Andian National Corp., another International Petroleum subsidiary.

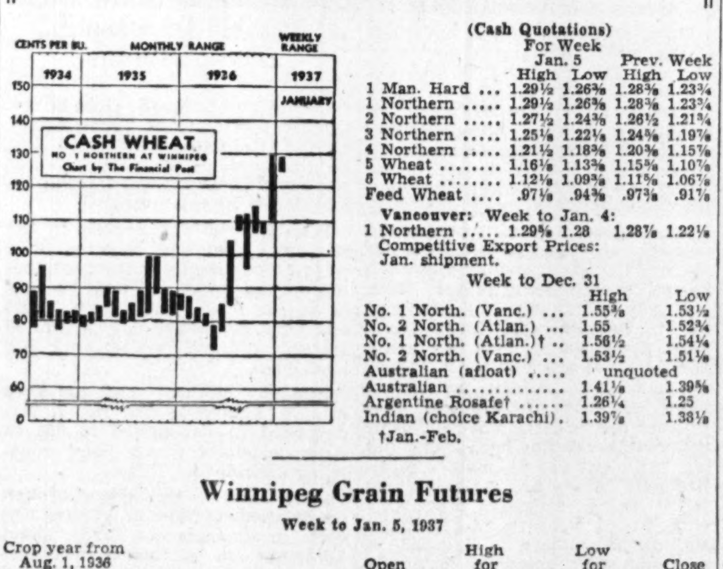
Quebec Power to Reduce Number on Directorate

From Our Own Correspondent

MONTREAL.—Quebec Power Co. has called a special meeting of shareholders for Jan. 13, when consideration will be given to a resolution amending the by-law covering the number of directors.

At present the company has 17 directors and it is proposed to reduce this number to 14.

Wheat Prices



(Cash Quotations)

	For Week Jan. 5 High	For Week Jan. 5 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.29½	1.26⅝	1.28⅜	1.23¾
1 Northern	1.29½	1.26⅝	1.28⅜	1.23¾
2 Northern	1.27½	1.24⅝	1.26½	1.21¾
3 Northern	1.25⅛	1.22⅛	1.24⅝	1.19⅞
4 Northern	1.21½	1.18⅝	1.20⅝	1.15⅞
5 Wheat	1.16⅛	1.13⅝	1.15⅝	1.10⅞
6 Wheat	1.12⅛	1.09⅝	1.11⅝	1.06⅞
Feed Wheat	.97⅛	.94⅝	.97⅜	.91⅞
Vancouver: Week to Jan. 4:				
1 Northern	1.29⅝	1.28	1.28⅞	1.22⅛

Competitive Export Prices:
Jan. shipment.

Week to Dec. 31

	High	Low
No. 1 North. (Vanc.)	1.55⅝	1.53½
No. 2 North. (Atlan.)	1.55	1.52¾
No. 1 North. (Atlan.)†	1.56½	1.54¼
No. 2 North. (Vanc.)	1.53½	1.51⅛
Australian (afloat)	unquoted	
Australian	1.41⅛	1.39⅝
Argentine Rosafe†	1.26¼	1.25
Indian (choice Karachi)	1.39⅞	1.38⅛

†Jan.-Feb.

Winnipeg Grain Futures

Week to Jan. 5, 1937

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Dec. 30	High for week	Low for week	Close Jan. 5
		Wheat				
1.31¼	.93½	Dec.	1.27¼	1.31¼	1.27⅛	....
1.30¾	1.05⅝	May	1.27	1.30¾	1.26	1.26⅜
1.26⅞	1.03¾	July	1.23¼	1.26	1.21⅜	1.21¾
		Oats				
.53¾	.41¼	Dec.	.52¼	.53¾	.52	....
.53⅝	.42¼	May	.51½	.53⅝	.51½	.52½
.51⅞	.43⅝	July	.50	.51⅞	.50	.50⅝
		Barley				
.93¾	.50¼	Dec.	.88	.93¾	.88	....
.79⅝	.50⅞	May	.74½	.79⅝	.74½	.77⅞
.73⅞	.56¾	July	.70¼	.73¾	.70	.70⅞
		Flax				
1.88	1.56	Dec.	1.73½	1.73½	1.72	....
1.75¾	1.60½	May	1.74⅜	1.75	1.70	1.70
1.75	1.63¼	July	1.73⅞	1.74¼	1.68⅝	1.68¾
		Rye				
1.12	.61¾	Dec.	1.10⅝	1.11¼	1.10⅝	....
1.14⅞	.62⅝	May	1.10¼	1.14	1.08	1.08¾
1.12⅛	.78⅛	July	1.07¼	1.10⅛	1.04⅝	1.04⅛

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Week in Mining

Mining Opens New Year With Sound Background

Industry in Best All-round Condition in Years—Metal Prices on Higher Level — Gold Firmly Entrenched

Apart altogether from market prices or future action, the mining industry has seldom entered a new year under as auspicious circumstances as face it today.

The price of gold seems as firmly entrenched, for the time being, at least, as ever. Prices of copper, lead and zinc, have shown steady improvement, and stand today at levels much higher than those of a year ago. Moreover, the underlying statistical position of these important metals is admittedly better than it was a year ago, or has been for years.

Governments have repeatedly indicated that they are seized with the importance of the industry, and the importance of keeping it free from the overly eager tax gatherers.

Turner Valley has definitely demonstrated that it has important potentialities as a crude oil field.

From the production angle, several new mines are set to make their 1937 debut, in all sections of the industry.

Nipissing Mines Popular

ONE of the stronger stocks in the past few weeks has been Nipissing Mines, which operates through its wholly owned subsidiary, Nipissing Mining Co.

Reason for the popularity of this stock appears to be a growing conviction that during the current year, Nipissing Mining Co. will show materially increased revenues from its investments in United States oil concerns, investments which are apt to be overlooked by the investing public. In 1935, dividends from these investments received by Nipissing totalled $131,000.

Nipissing's dividend payments have been running fairly close to earnings. In 1934 earnings per share worked out to $0.123, dividends paid amounting to $0.12½. In 1935 earnings per share were slightly over 38 cents, with dividends totalling 12½ cents per share, in the calendar year.

In the 1936 calendar year, Nipissing paid a total of 50 cents per share. At this rate and at current prices of around $2.75 for the stock, Nipissing is yielding around 19%, which is a fairly high yield for a holding company of this nature.

* * *

Wright-Hargreaves

TONNAGE milled at the Wright-Hargreaves, Kirkland Lake producer, during the three months ended Nov. 30, was the highest in the company's history, but recovery per ton was fairly close to being the lowest since the advent of $35 gold.

The drop in grade, however, is not seen as particularly significant, inasmuch as the company has, for the past few years, continued a policy of concentrating on completing the development and mining out the upper levels. This work has resulted in opening up new ore sections, and has had the effect of considerably prolonging the life of those lower cost levels.

Mill heads in this period averaged about $18.20 per ton, with daily milling rate of 1,125 tons.

* * *

Perron's Increase

A NOTABLE increase in the mill capacity at Perron has been accomplished, the mill at this Pascalis, Que. producer currently handling 320 tons. The new mill addition has a rated capacity of 350 tons, which will probably be utilized when the mill circuit is in normal operation.

Perron has been establishing itself quietly in this field, its progress perhaps being overshadowed by the more sensational of the Quebec properties. The company only came into production on a commercial scale in March, 1936. The erratic nature of the ore bodies precludes estimating ore reserves as yet, but complete and frequent development reports have indicated that underground work, including drilling to depths greater than 600 ft., has been saisfactory, and that deeper development should result in grade and widths at least comparable to those obtained at higher levels.

Tashota Lists New Shares

Two Millions Additional Traded on Toronto Exchange

An additional two million shares of Tashota Goldfields Ltd. were listed on the mining section of the Toronto Stock Exchange Dec. 23, bringing the total listed stock up to five million shares. The original listing was on April 8, 1935.

Tashota is a producing mine in the Thunder Bay district of Ontario. The property is equipped with an 80-ton per day mill, which, to the end of November produced 8,028.24 ounces of gold.

The company has an authorized capitalization of five million shares, $1 par value, a total of 3,263,349 shares have been issued of which 2,227,598 were sold for cash. An offer of one million shares is being made to shareholders at a price of 15 cents per share. An additional 650,000 of these shares are underwritten at the same price. Another 350,000 are underwritten by the holders of the company's notes.

A balance sheet as at Dec. 31, 1935, showed current assets of $89,215 against current liabilities of $97,768. To Dec. 10, the total cost of mine development was $248,400.

Drill Finds Pond 150 Feet Deep

Unusual drilling conditions have been encountered at the Brea Breest property in Kenora, where work is being carried on over a small pond lying on one of the north claims.

The pond, only 500 feet long, was found to be 148 feet deep from the surface to solid rock at the bottom. Drilling consequently was delayed, but the material finally brought up proved to be strongly sheared, well mineralized with pyrite and generally different from the porphyry previously cut.

A new nine-foot quartz vein has been traced about 300 feet on a different section of the property.

Average values of $10.15 gold per ton over 10 feet of drill core are revealed by recent drilling operations at the property. The original drilling contract was terminated at 2,700 feet and since that time an additional 5,000 has been arranged by a new contract.

OPTIONS

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon the treasury stock of the following companies.

Laguna Gold Mines—Payment has been received for 32,995 shares at 50 cents per share, the final block of agreement dated Feb. 24 as amended May 1 and July 23. Issued capital is now 3,000,000 shares.

Paymaster Consolidated Mines — An additional 200,000 shares have been taken up under agreement Jan. 8, comprising 100,000 shares at 60 cents and 100,000 at 75 cents. This brings issued capital to 8,604,000 shares. Balance of option comprises 100,000 shares at $1.50 by July 8, 1937.

Big Missouri Mines Corp.—An additional 100,000 shares at 50 cents per share have been taken up under agreement Dec. 9, 1935, bringing issued capital to 3,824,367 shares. Balance of option comprises 1,175,633 shares at 50 cents per share.

Mining News Concentrates

Bagamac Rouyn—directors have approved a reduction in the company's capitalization from four million shares of $1 par value to one million shares and the subsequent creation of two million additional shares. The shareholders will vote on this proposal at a special meeting to be held in Toronto, Jan. 11. Present shareholders would receive one new share for each four shares held.

* * *

Bralorne Mines—reports December production at 6,350 fine ounces from 14,514 tons milled. This works out to a recovery per ton of about 0.43 oz., and compares with a recovery of 6,504 oz. in November, from 14,725 tons, or 0.47 oz. per ton.

* * *

Coniagas Mines—has relinquished its option on stock of Florence River (Quebec Gold Mine) owing to refusal of the Florence River directors to extend the agreement, it is announced. The company owns a substantial block of stock in the Florence River already taken up in payment of development work which is understood to have been fairly encouraging.

* * *

Doreva Gold Mines—in Bousquet twp., Que., has acquired additional property, making a total contiguous area in excess of 4,200 acres, under Doreva control. The property is currently utilizing three drills, and is sinking a prospect shaft on one of main showings.

* * *

Golden Gate Mining Co.—the recently shipped bulk sample from the 303 vein on the 350-ft. level returned an average of $60 in gold per ton, S. A. Pain, consulting engineer, reports. This vein has been drifted for 160 feet with an ore shoot determined for a length of 130 feet, according to officials.

* * *

Matcna Gold Mines—with property some 15 miles west of Gowganda, Ontario, has been drifting both east and west from the first level crosscut and reports that this work has confirmed the broadened extent of the vein showing an average width of five feet. The shaft has been sunk to a depth of 140 ft. on a narrow vein exposed on the surface.

* * *

Opemiska Copper Mine—is making an offer to shareholders of one additional share for each four shares held at 30 cents per share. Offer is made to shareholders of record Jan. 15, 1937, and subscription must be forwarded to the company's head office on or before Jan. 25, 1937. Their payments are spread over three installments, one with subscription, one by March 25, 1937, and one by June 25, 1937.

* * *

Orelia Mines—has been incorporated to acquire properties and assets of Golden Star Consolidated Mines, and the adjoining property of Seine River Mines southeast of Kenora, in the Rainy River district of Ontario. Shareholders of Golden Star will receive a number of shares in the new company.

* * *

Siscoe Gold Mines—December production of $221,600 from 17,484 tons, sets a new monthly record for this Quebec producer. Daily milling rate is now 564 tons. Shaft sinking has been completed to 1,850 ft.

Turner Valley Awaits News On Arca Well

Eleven Months Production Shows Large Increase Over 1935

NOVEMBER FIGURES

From Our Own Correspondent

CALGARY.—Official figures for the first 11 months of the year—December figures will not be released until the end of January—show that production for all Alberta oil and gas fields was 1,195,463 barrels compared with 1,153,632 barrels produced during the first 11 months of 1935. The 1936 figures will be considerably increased by the December production, however, as Foundation Royalties, Royalite-Sterling Pacific 3, Sovereign and Renfrew production from these new producers will be included in the December total.

Foundation is producing at the present time almost exactly 600 bbls. of crude oil daily. Two-and-a-half inch tubing has been installed in the hole and Foundation officials expect that an increase in yield will result when the well gets down to steady production. Royalite-Sterling Pacific 3 is producing only about 110 bbls. of crude daily but here, too, a production increase is anticipated. In the case of Royalite-Sterling, a considerable amount of rotary fluid remains to be cleared from the hole. The Sovereign well is a naphtha producer of about 85 bbls. daily. No production figures have been released concerning the Renfrew production, but it is believed to be a fairly small naphtha producer.

Cause Market Boom

Interest in Alberta oils created a boom on the Calgary Stock Exchange in December which surpassed, as far as volume of trading was concerned, the boom months of 1929 and 1930. In December a total of 3,386,853 shares in oil companies were traded on the Calgary exchange breaking all records for a month's trading volume in the history of the oil market. The previous record was held by Jan., 1930 when 3,205,958 shares were traded. The value of the shares traded in Jan., 1930, was, of course, much higher.

The B. and B. well which has just struck the limestone is expected to be the first new crude producer of 1937. This well is being drilled by B. and B. Royalties Ltd., headed by R. A. Brown, president of Turner Valley Royalties, and his son, R. A. Brown, Jr.

Some Excitement

Some excitement has been occasioned by a report that the Arca well, deepest in the British Empire, had struck the lime at a depth of approximately 8,700 ft. but this has not been confirmed. Imperial Oil officials, who are interested in this wildcat located on a new structure west of High River, said drilling would be continued a little longer and a core would then be taken to determine the nature of the formation. If the Madison limestone has actually been encountered, Canadian drilling history will be made by the running of casing to such a great depth.

The Arca well is being drilled by the Calgary and Edmonton Corporation, Imperial Oil, Limited and interests associated with the Canadian Western, Natural Gas, Light, Heat and Power Company, Limited. Acreage is held in the area by the Ranchmen's company and the Graystone Consolidated company.

Following is the official government production report for November, just released: (figures are in barrels).

TURNER VALLEY Limestone Production	
Advance	1,049
Anaconda	378
Associated	205
Baltac	64
British Dominion	2,865
Carleton	1,088
Century	4,429
Dalhousie	434
Director	712
East Crest	476
Foothills	789
Highwood Sarcee	2,490
Hylo	874
Longview	136
Lowery	154
Marjon	537
Mercury, Miracle, etc.	10,218
Merland	546
Model	5,354
Pacalta	418
Publix	164
e-Renfrew	300
Richfield	165
Royalite	47,921
Southwest	100
Sovereign	828
Spooner	410
Sterling Roy.	804
Structure	213
Union Freehold	820
T. V. Roy.	21,768
Not otherwise included	3,448
Total	110,207
Other Production	
Dalhousie	81
McDougall Segur	487
e-McLeod	180
Royalite	43
Widney	158
Total	949
RED COULEE **Light Crude**	
Vanalta	1,024
O'Neil	250
Total	1,274
WAINWRIGHT **Heavy Crude**	
Bethwain	86
Br. Wain.	88
Edm. Wain.	239
Hargal	217
Sasko. Wain.	307
Wain. Con.	353
Wain. Pet.	74
Total	1,364
RECAPITULATION	
Turner Valley, limestone	110,207
Turner Valley, other	949
Red Coulee, light crude	1,274
Wainwright, heavy crude	1,364
Total	113,794

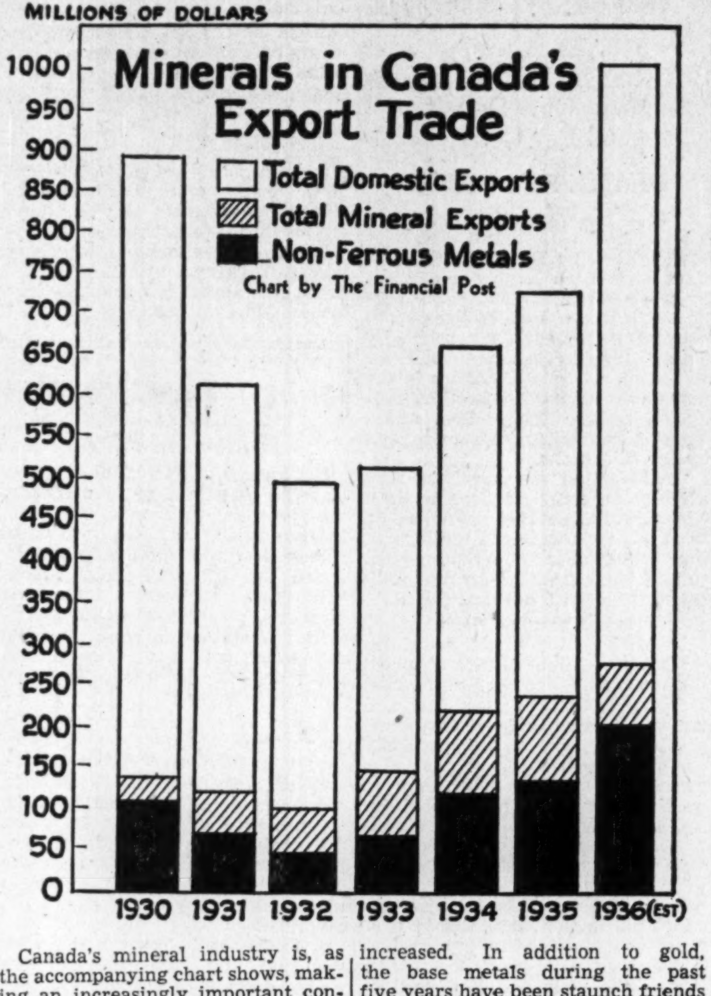
e—Estimated.

Issues Handy Survey of Base Metal Picture

Believing that the law of "supply and demand in the base metal industry has once again surmounted the obstacles of overproduction, surplus stock, quotas, tariffs, extremely low prices and other features of depressed business conditions," James Richardson and Son have prepared a comprehensive booklet covering the base metal situation. The survey is in the form of a review of the copper, lead, zinc, nickel and chromium industries of the world with special reference to the Canadian industry and analyses of leading Canadian producers.

The survey contains handy tables showing statistical factors bearing on the various metals. In addition the present position of all the above metals is reviewed in some detail.

Mines Grow Rapidly As Factor in Exports



Canada's mineral industry is, as the accompanying chart shows, making an increasingly important contribution to Canada's credit abroad. As pointed out in the January letter of the Royal Bank of Canada, between 1929 and 1936, agricultural and vegetable products have fallen from 46% of Canadian exports, to 32%, while non-ferrous metals have increased from 8 to 22%. This percentage has been achieved in face of sharp increase in total exports this year.

An interesting point regarding the exports of mine products is the fact that the Canadian Government has retained a considerable amount of domestic gold production in Canada. In June and July, 1936, no gold bullion was exported from Canada, although usually the exports average nearly $10 millions per month. Due to this policy, the total exports of non-monetary gold in the first 10 months of 1936 were only 1,550,000 oz. against 2,205,000 oz. in the same period of 1935.

Dual Production Helps

While the value of other exports was declining, mine exports steadily increased. In addition to gold, the base metals during the past five years have been staunch friends to Canada's export trade. Because of the fact that in Canada, nearly all the base metals are mined in conjunction with precious metals, the producers have been able to maintain production, despite abnormally low metal prices. Producers in other parts of the world, not enjoying this dual nature in their ore, have been forced to curtail production, or close down altogether.

As might be expected, nickel exports have increased considerably, showing a gain in 1936 of over 20% on the 1935 figure. Some of this increased demand was due to rearmament programmes, but it is encouraging to note that the major part of the increase has been due to improved conditions in industry generally.

Copper producers enjoyed generally higher prices, and greater demand during the past year, and an increased amount of this metal was shipped to Great Britain. The same was true of lead and zinc. Asbestos, in the non-metallic group showed a striking recovery, demand being up approximately 45% over 1935.

Two 1937 Producers Seen For Beardmore

Leitch and Sturgeon River Grooming Properties for Mill

From Our Own Correspondent

KENORA.—Within a month, two gold properties in the Beardmore-Sturgeon River sector of the Port Arthur mining division are scheduled to be in production to add to the single operator now turning out the yellow mineral. **Northern Empire Mines**, a Newmont-controlled subsidiary, has been operating a mill, now at a 175-ton rate, since 1934 and, during the year just ended, recorded yield of approximately $1.1 million. Two other mines, **Leitch** and **Sturgeon River**, will contribute important totals to the area's 1937 figure.

Mill construction at the two properties is going ahead rapidly. **Leitch Gold Mines**, which has about 17,000 tons of $40 ore, sufficient for a 75-ton mill for nearly a year, is building a unit with rated capacity of 100 tons. It is expected tuning-up will start at about 50 tons and the rate then gradually increased until 75 tons is reached.

Sturgeon River Gold, which shipped out $20,711 in gold during 1936 produced from a 20-ton amalgam mill that operated for a few months, is now rebuilding its plant and expects that, about Feb. 1, the 50-ton cyanide unit will be in operation. A cyanide plant has been purchased from **Wendigo Gold Mines** in the Kenora area. Reserves total 30,000 tons of $17 while, with results on the bottom level better than first announced, the situation at this mine is brighter than appeared earlier in its history.

Others Are Potential Mines

Other properties now in advanced stages are shaping up as excellent chances for reaching production within the next year or two. Most advanced of the non-producers are **Sand River, Spooner, Brengold, Oremond** and **Buffalo Beardmore. Sand River**, which is just completing its 400-ft. shaft will, within the next few months, have had sufficient work done to determine production possibilities. The **Spooner** shaft has reached the 300-ft. station where the second level is being driven. It is half way to its present objective of 600 ft. **Oremond Gold Mines** has a shaft down 300 ft. and two levels opened up at 125 and 250 ft. Plans are in hand to increase the present plant so that underground programme can be carried deeper. Some commercial ore has been found but not sufficient yet to make a mine. **Brengold Mines** has a shaft down 200 ft. and is at present proceeding with lateral work on two horizons. **Buffalo Beardmore** is engaged in sinking a shaft which was originally carried down to a depth of 40 ft. **McWilliams Beardmore** has won such encouragement from diamond drilling that definite plans are now proceeding to sink a shaft. **Wilport Gold Mines** is continuing drilling and also thinking about going underground. Other companies which have been active recently are **Consolidated Smelters, Greenlee Mines, Nipsona, Beardmore Lake, Eva Prospecting Syndicate, Lac Tek Gold Mines, Afton Gold Mines, Gwyn Beardmore, Gold-Finders Syndicate, Rowlandson Prospecting Syndicate**, and **Empire Contact.**

Mining Dividends

	Rate	Close Jan. 4	Yield %
Anglo-Huronian	20c	6.60	..
Beattie Gold	†5c	1.33	..
Bralorne	40c+15c	8.15	..
Buff. Ankerite	20c	11.87	1.7
Bulolo Gold	‡1.40	29.00	..
Cariboo	10c	1.61	6.2
Central Patricia	†4c	4.35	..
Coniagas	12½c	3.35	..
Cons. Smelters	$1+$1	80.00	..
Dome Mines	$2+$2	49.00	*8.2
Falconbridge	30c	12.00	2.5
Hollinger	65c+45c	14.00	*8
Howey Gold	2c	.69	..
Hudson Bay	$1	32.75	..
Island Mountain	‡10c	1.15	..
Int. Coal & Coke	‡1c	.22	..
Int. Nickel, c.	$1.60	62.75	2.5
Inter Mining	45c	16.50	..
Kerr Lake	5c	.65	..
Kirk. Lake	‡2c	1.32	..
Lake Shore	$3	57.75	*8.6
Lava Cap M.	4c+1c	.90	..
Little L. Lac	30c	7.35	..
Macassa	15c	8.45	..
McIntyre	$2	39.00	5.1
McKenzie R. Lake	6+1c	1.84	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	.90	..
Nipissing	50c	2.73	..
Nor. Can. Mining	2c	.84	..
Noranda	$3	74.00	4
Pickle Crow	20c	8.10	..
Premier	12c+4c	4.40	*3.6
Pioneer, B.C.	80c	6.50	12.3
Reno	12c	1.20	10
San Antonio	14c	2.31	..
Sheep Creek	6c	.80	10
Siscoe	20c	5.35	3.7
Sudbury Basin	10c	6.20	..
Sylvanite	20c	3.95	5.1
Teck-Hughes	40c+5c	5.50	*8.2
Toburn	8c	4.55	1.8
Ventures	2½c+2½c	3.10	..
Ymir Yankee Girl	5c	.37	..

‡Interim. †Initial. *Yield includes bonus.

Lamaque Earnings 25c in 11 Months

Ore Reserves Show Comfortable Increase in Three Months

Earnings of Lamaque Gold Mines, Quebec subsidiary of Teck-Hughes, for the 11-month period ended Nov. 30, are estimated at nearly 25 cents per share in an official interim report issued by the company.

Highlight of the report is the statement that ore reserves have steadily increased, additional ore being opened up on the upper levels, as well as on the new levels (1,075 and 1,200 ft.) where only a limited amount of development work has been done.

The new vertical shaft for deep mining, known as the No. 7, was deepened in the period to 362 ft. After installing a new hoist, deepening continued.

As at Dec. 1, blocked and broken ore totalled 464,330 tons, grading 6.95 dwt., or in Canadian funds, about $12.16 per ton. At the end of August last, positive ore reserves totalled 427,632 tons, grading 6.92 dwt. per ton. At the present price of gold, one dwt. is worth about $1.75.

Production, Earnings & Est. Surplus
(Eleven months ended Nov. 30, 1936)

Dry tons ore treated	184,513
Average daily tonnage	551
Gross value of heads	$2,461,444
Less: Tailing loss	42,698
Gross returns from bullion	2,418,746
Less: Deductions from income	1,669,960
Est. bal. to surplus	748,786
Gross val. mill heads per ton	$13.34
Percentage recovery	98.4%
Average grade ore treated	$13.64
Est. Earnings per Share:	**$0.240**

Teck Earnings Hold Steady

No New Developments at Lower Levels of Mine

Estimated positive ore reserves at Teck-Hughes Gold Mines, Kirkland Lake producer, at Nov. 30, 1936, were 659,502 tons, averaging 8.07 dwt., or approximately $14.12 per ton. This indicates that in the three months since the end of the company's fiscal year, nearly 10,000 tons of ore have been blocked out, with a slight sacrifice in grade.

Comparing the summary of deep development as at Nov. 30, with that shown at the end of the fiscal year on Aug. 31, it is revealed that all the development work in the three-month period took place on the 49 and 50 levels. Nothing occurred on these levels to alter the view that the depth limit at this property has been reached.

The following table shows the production and earnings record for the three-month period:

Production:	
Dry tons ore treated	91,540
Dry tons tailings re-treated	12,118
Dry tonnage milled	103,658
Recovery per ton	$11.42
Earnings:	
Gross value of bullion	$1,183,650
Income from investments	28,208
Gross earnings	1,211,859
Less: Dev., min. & mill.	428,607
Insurance & taxes	115,808
Gen. exp., incl. mktg. & assay.	58,947
Exp. on outside prop. & explor.	5,025
Est. bal. to surplus	603,473
Est. Earnings per Share:	**$0.126**

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Turner Valley Oils Reports Little Change

Several proposals for the purchase of royalties in oil wells drilling in the Turner Valley were considered by directors of Turner Valley Oil Co. Ltd. during the past year, but none of the projects warranted employment of the company's funds in the opinion of directors, shareholders are told in a report covering the year ended Sept. 30, 1936.

In the balance sheet as at Sept. 30, current assets comprised cash in the bank of $875; investments and interest, in Dominion of Canada 3¼% bonds at a cost of $29,022. This brings the total current assets to $29,898. In the liability side, income tax is payable amounting to $3.67.

In the deficiency account, a profit of $3,105 is shown from the sale of Dominion of Canada 4% bonds. For the fiscal year ended Sept. 30, net revenue amounted to $18. The balance as at Sept. 30, 1936, carried to the balance sheet from the deficiency account amounted to $5,105.

Bulolo Shares Allotted

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 1,817 additional shares of Bulolo Gold Dredging. This completes the allotment of 60,000 shares of the new issue, making the total number of listed outstanding shares one million.

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Premier Rise Is Attributed To B. C. Field

Considerable Buying Also Reported from Australia

ORE STRIKE RUMOR

From Our Own Correspondent

VANCOUVER.— Recent rise in Premier Gold stocks is being attributed here to the reported strike of rich ore in a body of unusual width at one of the company's properties in the Portland Canal area of northwestern British Columbia.

Some years ago the management of Premier admitted that the life of the original "wonder mine," which yielded some $17 millions in dividends, was limited; but Premier has not abandoned that field by any means. It acquired extensive holdings in adjacent properties, such as B.C. Silver, Silverado, Porter Idaho, and in addition, of course, became interested in more distant properties, such as Toburn Gold Mines, Bidgood Kirkland (since relinquished) and the Big Bell Mines in Western Australia.

At first, when the stock started to move, it was assumed that the market reflected activity in Australia or Ontario, but unofficial reports from Portland Canal indicate that there has been appreciable improvement in the prospects there, and that conditions somewhat similar to the formation of the original Premier are being encountered. In addition, there has been considerable Australian buying of Premier since it started its Big Bell operations. Milling is expected to start there in April.

Pato Consolidated Asks for Listing

Can. Concern Applies to Montreal Exchange—Has Placer Site

From Our Own Correspondent

VANCOUVER. — Application is being made for the listing on the Montreal exchange of Pato Consolidated Dredge, Ltd., shares.

Pato Consolidated is one of the enterprises organized by C. A. Banks, Vancouver, whose Bulolo Gold Dredging, Ltd., has had spectacular success in New Guinea. Mr. Banks and associates, chiefly because they still maintain headquarters in Canada, although their interests are now world-wide, were desirous of making a block of stock available to Canadians, and it is understood that about 400,000 shares will be distributed in this country. Authorized capital of Pato Consolidated, which operates gold dredges in placer gravel along the Nechi River in Colombia, consists of 5,000,000 shares, of which 2,500,000 are issued.

Two dredges are now working for Pato, earning about $25,000 each a month. A third dredge will be ready in February, and a fourth will be added toward the end of the year.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER.—Revival in base metals is bringing about a reawakening of the Slocan country, which for years has been dormant as a mineral producer. The Slocan camp is famous for silver, but the base metal content of the ore is the reason for the new development.

Reopening of the old Slocan Monitor property is under consideration. This consists of 16 claims four miles northeast of New Denver. A mill will probably be erected during the coming two months.

* * *

Minto Production

November output at Minto Gold Mines was $20,193 from 3,275 tons of ore milled. This compares with a gross of $22,092 from 3,422 tons in October.

* * *

Gold Mountain Near Production

The mill of Gold Mountain Mines will probably be in operation within a week, according to Consulting Engineer W. J. Asselstine.

Hedley Amalgamated

Spectacular values are reported in recent development at Hedley Amalgamated Gold Mines. No. 3 diamond drill hole from a station 2,052 ft. in on the McKinnon tunnel entered commercial ore at 220 ft. and was in commercial ore at 413 ft., which was the maximum distance the drill would penetrate.

* * *

Grandview Gets Power

Grandview mill, in the base metal district along the Washington-B.C. border, will be operated by American Zinc Co. with power from Pend Oreille's new 2,000-h.p. plant, it is stated.

* * *

Whitewater to Resume

Having re-elected General J. W. Stewart as president, directors of Whitewater Mines, Ltd., are proposing to resume operations shortly in response to the rise in base metal prices. Note liabilities amounting to $160,050 will be taken care of and it is expected to have adequate working capital available within a few weeks.

* * *

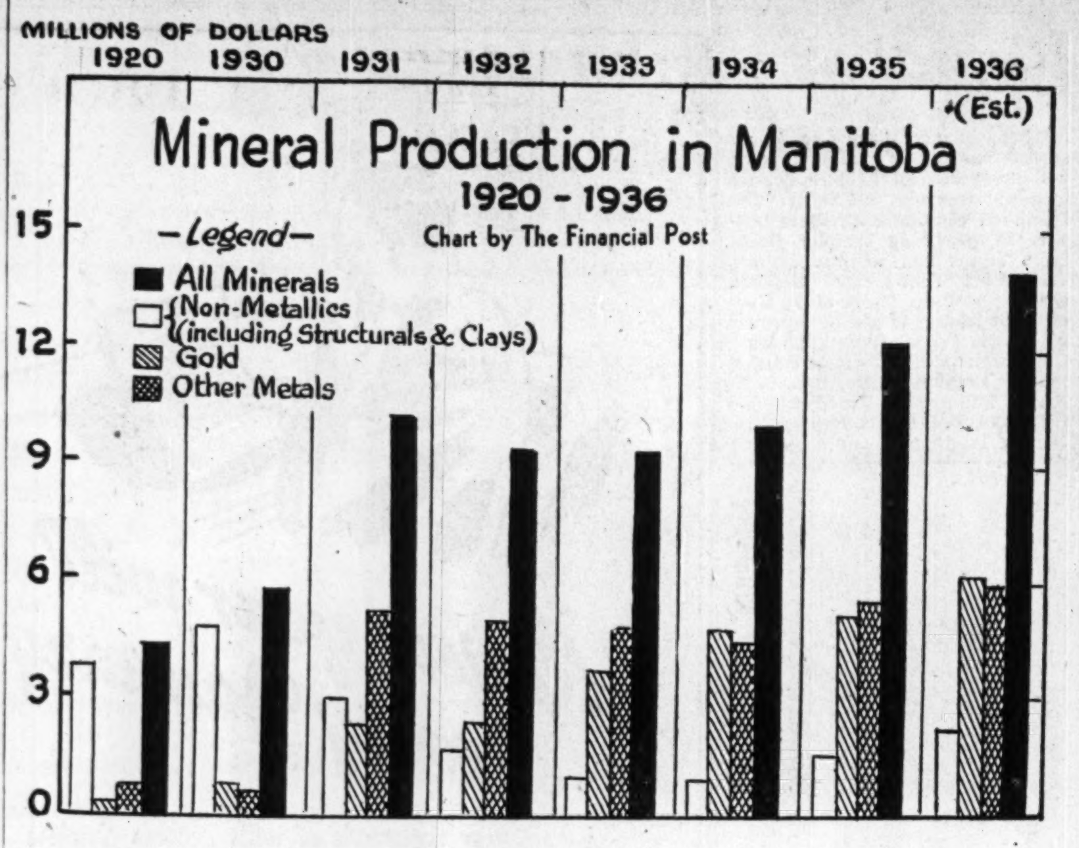
B.R.X.'s New Shaft

Headframe and hoist are being installed at the B.R.X. mine in the Bridge River district for sinking the 500-ft. shaft which will open the vein system at a new low depth where, it is hoped by the management, geological conditions will be favorable for the making of an important ore body.

Arntfield Gold Mines Lists Additional Stock

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 50,000 additional shares of Arntfield Gold Mines. This brings the number of outstanding shares up to 2,808,920, in addition to which 29,000 shares are under option at 70 cents a share and 162,000 shares remain in the treasury.



MANITOBA SHARES MINING BOOM

With the existence of both base and precious metal ore proved, the province of Manitoba was in a strategic position to take advantage of the favorable conditions facing both these branches of the mining industry. Currently higher prices for copper and zinc will, it is expected, result in still higher production in 1937. Several new gold producers have also been added to Manitoba's list. The above chart shows how strongly this province has recovered in her mining industry. Present activity is at the highest peak in some 20 years.

Mining Enquiries

Lake Shore

Would you consider Lake Shore a suitable long-term investment for a man past middle age, among other securities of an industrial rather than mining type?

Lake Shore Mines is the largest gold producing property in Canada and popularly regarded as one of the best from an investment standpoint. As to the probable life of the mine, there is no information on which we could base an estimate, even approximately, since there has been no estimate of ore reserves in the last few years. The mine is opened down to the 4,450-ft. level and is equipped for further development to depth. To date, however, there has been no intimation that the mine has been bottomed.

In the year ended September 12, 1936, earnings were improved. No change was reported in conditions underground, where considerable areas of the mine have been opened up ready for development, in addition to the unexplored deeper areas.

Gold Lake Mines

Is there any hope for shareholders of Gold Lake Mines from the standpoint of future development of the property?

Gold Lake Mines, in the Rice Lake areas of Manitoba, has been a bitter disappointment and its record has been blamed for the bankruptcy of a prominent Winnipeg brokerage firm. Hopes for this property ran high earlier this year when Anglo-Huronian Ltd. and W. C. Pitfield, two financial organizations, undertook to finance development. Both these companies, however, dropped their options, and while the property appears to have some merit from the limited amount of work done, its outlook at the present time is very obscure.

Empress Consolidated

Empress Consolidated appears to be a fairly promising prospect but I have been unable to get much detailed information regarding its financial position.

Empress Consolidated Gold Mines has not issued an audited balance sheet and the company tells us that it does not intend to issue one until an annual meeting is called. No date has been set for such a meeting.

In the meantime, therefore, we are unable to ascertain the financial situation. Officials of the company inform us that the company has approximately $70,000 "in cash and available cash." How much of this is represented by options not yet taken up, we are unable to say.

The property itself is still an undeveloped prospect although some surface indications are reported to have been obtained.

It is in the district of Thunder Bay, Ont. This is not an area in which any major producers have as yet been located.

Darkwater Mines

What is the relationship between Robb-Montbray Mines and Darkwater Mines, and the capitalization of Darkwater?

Darkwater Mines has an authorized capitalization of 1.5 million shares of $1 par values. Upon incorporation, 400,000 shares were issued to J. C. Beidelman, T. O. Lyall and associates for the properties.

Robb-Montbray Mines took up 100,000 shares at 10 cents per share; 100,000 shares at 15 cents; 50,000 shares at 25 cents and approximately 80,000 shares at approximately 48 cents per share. Of this latter block, Robb-Montbray sold approximately 40,000 shares to enable it to continue its option. As a result at the present time, Robb-Montbray Mines holds 290,000 shares of Darkwater stock.

Eldorado

What are the earnings prospects for Eldorado Gold Mines?

Eldorado is currently expanding the output of its refinery at Port Hope. The management claims development at the property warrants such an expansion. This expansion should of course be reflected in increased earnings next year and the company reports that orders for radium from British sources totalling over $800,000 for delivery in 1937 have been obtained.

Remoteness of the property, transportation difficulties and paucity of development information, makes an appraisal of the company and its property extremely difficult. We should be inclined, however, to classify it as a speculation with certain limited attractions.

Chromium Mining

I am a shareholder of Chromium Mining and Smelting Corp. and recent reports have reached me that the company is not doing as well as expected. Have you any information leading to that belief?

Stock of Chromium Mining and Smelting Corp. has declined considerably in the last month or so because of unfavorable rumors. One of these rumors was to the effect that the ore was not being supplied from the property fast enough to meet the needs of the concentrator on the property or the smelter at Sault Ste. Marie. In a recent issue of The Financial Post, we quoted Mr. Leo H. Timmins, president of the company, as directly denying this report.

Briefly the company is still undergoing production tests. It is not in production in a commercial way. Accordingly it is obvious that the stock is still speculative, in the meantime, we can only repeat what we have said formerly, to the effect that the company is now in good hands, and is well financed. The company has ore reserves estimated at 225,000 tons grading about 17% high-grade ore. The unknown factor in this proposition is whether or not Chromium can produce a sufficiently high-grade concentrate to compete with other world producers. The management claims it can do this and can market its chromium in competition with present world sources. The ultimate test of the validity of this statement will of course be the profit and loss statement. In the meantime, we have no reason to doubt the sincerity of the management, on which the Timmins interests, of Hollinger fame, are well represented.

Waite Amulet

Is Waite Amulet likely to resume production in the near future as a result of higher prices for copper?

Waite Amulet Mines is in a favorable position to resume operations, but there is no official word, to our knowledge, that resumption of production is planned for the immediate future.

Prices for both copper and zinc, the company's chief products, have risen recently and equipment, including a 350-ton concentrator, is on hand at the property pending its reopening. Evidently, the decision rests with the directors and while we do not know what they are contemplating, it is obvious that prospects for re-opening the property are brighter now than they have been since 1932 when it was shut down owing to low copper and zinc prices. Maintenance charges, bond interests, etc., were nearly met in 1935 by profit on securities sold and dividends and interest earned. The net loss in that year was $1,524 compared with $22,445 in 1934.

God's Lake Gold

Is there any truth in the report that God's Lake Gold ore results are improving? How much stock is issued?

God's Lake Gold Mines has recently had more encouraging ore results at depth. This development, on the third level east, is shaping up well. God's Lake is well managed and is in the hands of capable and sincere mining men. Working capital as at December 31, 1935, amounted to $17,585. The entire authorized capitalization of 3.5 million shares is outstanding.

New Asbestos Concern Plans Early Shipment

Rahn Lake Mines Corp., developing an asbestos deposit near Elk Lake, Ont., reports that plans are nearing completion which will allow the corporation to make its first shipment early in the new year.

This property has been developed by a main 100-ft. shaft, and according to official report, has demonstrated that asbestos occurs of commercial quality and in commercial quantities.

The property has been favorably reported on by H. H. Williams, consulting engineer.

New Company Will Operate Nickel Claims

Denison Nickel Mines to Work Property Near Sudbury

FIRST NEW VENTURE

From Our Own Correspondent

SUDBURY.—A new company, the Denison Nickel Mines Ltd., has announced plans to develop nickel lands near the old Worthington Mine of the Mond Nickel Co.

For the past two years British and American groups have been interested in the area but the Denison venture is the first definite move by outsiders toward development.

The two producing companies, International Nickel and Falconbridge Nickel Mines, have acquired the major portion of attractive property in the district. Falconbridge, during the last two years, has obtained by staking and by purchase approximately 700 claims, though officials admit that all of the land is not mineral bearing. International Nickel, with its large acreage, is well fortified against ore depletion or possible competition on a scale of any magnitude.

John Rea is President

Apart from a little exploration work done by Delta Mines, now Van Nickel Mines, in Drury township, in the Worthington area, the reported launching of operations by Denison Nickel Mines is the first new venture in the district. The company announces that it will install a plant for the sinking of a three-compartment shaft to a depth of 250 ft., and will undertake lateral work at that level.

Six years ago, Percy E. Hopkins, mining engineer, in a report on the Denison property, stated that diamond drilling had indicated a body of ore 400 ft. long on surface and 500 ft. long at the 1,000-ft. horizon. Grade of ore averaged, from results of nine drill holes passing through this body, was as follows: Copper, 1.05%; nickel, .81%; platinum and gold, $3 per ton. A minimum of 741,420 tons was indicated. It is the intention of the company to concentrate the ore and ship the concentrates to smelters. Mr. Hopkins states that from the grade of ore shown profits of from $2.50 to $3 per ton mined are possible, with $4.50 to $5 per ton of sorted ore.

John R. Rea, president of Roche Long Lac, is president of Denison Nickel Mines, with J. H. Greenberg, vice-president, and M. Campbell, secretary-treasurer. Directors include H. L. Sheppard and L. B. Sheppard. The company is capitalized at 3,500,000 shares, with 1,500,000 shares issued for the property. A total of 500,000 shares is reported as firmly underwritten, and 1,499,995 shares remain in the treasury.

B.C. Mine Output Above Estimates

Forecast For 1937 Puts Production at $62 Millions

From Our Own Correspondent

VANCOUVER. — Mine production in British Columbia in 1936 was valued at $52,451,166, nearly half a million dollars above the Government's estimate and 13 millions higher than the value of 1935 production. If present prices for gold and metals hold during the coming year, the 1937 output will be worth at least $62 millions, according to Hon. George S. Pearson, minister of mines.

Gold and silver accounted for most of the gains in 1935, but silver was off last year, and placer and lode gold were the big factors in the year's production, with base metals rapidly pushing into the front toward the last of the year. Lode gold production has set an all-time high in production.

Big Missouri Mines Sells 100,000 Shares

From Our Own Correspondent

MONTREAL.—Big Missouri Mines announces that 100,000 shares at 50 cents a share have been taken up under the terms of the option agreement, leaving a balance of 1,185,635 shares under option at the same figure.

Montreal Trading Breaks Record

From Our Own Correspondent

MONTREAL.—Volume of trading on the Montreal Stock Exchange and Montreal Curb Market reached its best level in history during 1936. Total shares traded were 85.3 million, which compared with 23.7 million shares in 1935 and the previous record of 39.6 million shares in 1929.

Returns show that 14.6 million industrial shares were traded last year, as against 6.6 million shares in 1935 and with 32.8 million shares in 1929. Turnover in mines reached the record high of 70.7 million shares, an increase of better than 400% from 1935 when the total was 17.2 million shares.

B. A. Oil Sees Future Secure Says Official

J. C. Millar States 1936 Record Year and Outlook Good

Describing 1936 as the greatest year in the history of the company, J. C. Millar, treasurer of British American Oil Co., informs shareholders that the future of the firm is more secure than ever before.

Mr. Millar's official comment on the current improvement states:

"Not only did volume of sales in all divisions exceed the record output of 1935, but also, for the first time, we realized fully our ambition to become wholly independent in our source of crude oil supply.

"Our share of production from U. S. wells which we own and in which we are interested now approximates 13,000 barrels of crude oil daily. Our pipe lines in Texas and Montana are being operated profitably. Part of the net earnings of our U.S. subsidiary companies has been paid to the parent company as dividends. From these dividends there has been declared an extra of 20 cents per share . . .

"With our own crude oil output exceeding, even under U. S. restrictions, the requirements of our Canadian refineries; with our own transportation units, our own marketing facilities, a vast dealer organization and loyal customer shareholders, the future of your company is more secure than ever before."

U. S. Gross Rising

With the recent rise in the price of crude oil and increased production from its U. S. wells, B. A. Oil now stands to obtain annual gross revenue well above the $2 a share reported a few weeks ago by The Financial Post. This is all additional to Canadian earnings, which heretofore have run slightly above $1 a share. In 1935, net profits were reported at $2.9 millions, or $1.10 a share.

Recent extra payment of 20 cents a share involved disbursement of nearly $525,000 to shareholders. Total payments of $1 a share for 1936 required slightly over $2.6 millions. This compares with gross revenues of well over $5 millions annually from the U. S. operations alone.

The company had $8.1 millions of funded debt at the close of 1935, and sinking funds and serial maturities call for reduction of about $722,000 annually hereafter. The company may desire, however, to apply a large portion of its American revenues toward reduction of this debt at a faster rate. It appears possible to pay off all the debt by 1938, while continuing dividends of $1 a share.

Large Write-offs

It is understood substantial amounts of the American revenues will be written off to development and depletion. Development has been paid for and the company will obtain large cash resources notwithstanding these bookkeeping entries. The situation, therefore, is that extra dividends are possible even though large amounts of bonds are retired, and that when bond issues are reduced or eliminated shareholders will be in line for benefits from the large American revenues.

If the U. S. taxation on undistributed profits is continued, it may tend to accelerate payment of earnings of the U. S. subsidiary to the Canadian company.

Power Corp. Group Sets November Record

From Our Own Correspondent

MONTREAL. — November's output of electricity for the companies comprised in the Power Corp. group was the highest for the corresponding months in the history of the company. A total of 210.9 million kw.h. was 18.5 millions higher than the total for November of last year, an increase of 9.6%. The principal companies contributing to this increase were Winnipeg Electric, Southern Canada Power, B. C. Power and Canada Northern Power.

	—November—	
	1936 Kw.h.	1935 Kw.h.
Southern Canada ..	24,145,910	18,445,450
Canada Northern ..	51,267,930	48,995,060
East Kootenay	5,703,302	7,623,590
B. C. Power	50,243,142	45,442,260
Northern B. C.	926,704	930,500
Winnipeg Electric .	78,614,100	70,947,300
Total kw.h.	210,901,088	192,384,160

Kootenay Belle Plans To Expand Mill Output

VANCOUVER. — Kootenay Belle Gold Mines mill, which has been handling about 80 tons of ore daily, will be stepped up to 125 tons daily capacity as soon as preliminary preparations have been completed.

Kootenay Belle, located in the Sheep Creek area, had a production of about $100,000 in the final quarter of 1936 from 6,000 tons of ore. Recoveries are averaging 97%.

Bouscadillac Gold Sells 150,245 Shares

MONTREAL.—Bouscadillac Gold Mine has issued a further 150,245 shares, bringing the number outstanding up to 1,007,000. In addition there are 1.1 million shares held in escrow; 793,000 shares under option at prices from 35 cents to $1 a share; and the remainder, 100,000 shares, is held in the treasury.

Alberta Bondholders' Report 4

Gross Debt of Province of Alberta $182.5 Millions at March 31 Last

Created a province Sept. 1, 1905, Alberta made its first debenture issue in 1909, proceeds of the issue being used for telephone purposes. Since that time the growth of its funded indebtedness has been a steady process, with the increase in the last 15 years being much more marked than in the first 16 years, the Elliott-Walker report to the Alberta bondholders' committee shows.

Early in its history, Alberta, like other western provinces, embarked on a policy of guaranteeing railway debentures and this has proved a costly measure. For many years, in fact, contingent liabilities in the form of guaranteed debentures of railway enterprises and irrigation districts were greater than the direct liabilities of the province.

The first guarantee to railway issues was given in 1909, the year in which the province issued its first debentures for any purpose. In this year the Government guaranteed issues of the Alberta and Great Waterways Railway, the Canadian Northern Railway and the Grand Trunk Pacific branch lines totalling $19.5 millions.

Railway Guarantees

By the end of 1914 the direct and telephone debt of the province had grown to $22.8 millions and guaranteed issues to $41.6 millions. The latter consisted of $2 millions of University of Alberta bonds and $39.6 millions of railway bonds. Fortunately the Government has never had to implement its guarantee on all of these issues. Interest on $22.5 millions of bonds issued against lines now comprising a part of the Canadian National Railways has been paid by the Dominion of Canada although the province is legally liable for the amount not earned.

In 1928 the province was relieved of further railway obligations when the C.N.R. and C.P.R. acquired jointly the Edmonton, Dunvegan and British Columbia and Lacombe and North Western Railways. Provincial guarantee of $9.6 millions of bonds of these two roads was assumed by the C.N.R. and C.P.R. Thus the only guaranteed railway debt which is being serviced by the province at the present time is $7.4 millions of Alberta and Great Waterways debentures, which since 1929 have been part of the general debt.

It should not be taken for granted, however, that this $7.4 millions is the only part of the general debt of the province that can be attributed to its railway policy. While the Edmonton, Dunvegan and British Columbia Railway and the Lacombe and North Western Railway were sold at prices favorable to the province, there was a severe loss when the total investment is taken into consideration. The loss amounted to $11.4 millions and this now forms part of the general debt structure.

Rural Telephone Loss

Another Government enterprise which has been unprofitable and has added to the burden of debt of the province has been the rural telephone system. The exchange system, which includes the supplying of service to subscribers in cities, towns and villages, and the toll system, which includes the long distance interconnection of subscribers, have both yielded a profit after all charges. The rural system, on the other hand, has barely earned its operating and maintenance charges and has always failed to meet interest and sinking fund requirements. Capital and operating losses of the rural lines as at March 31, 1936, have been estimated at $10.9 millions. At the present time rural lines are being disposed of to mutual companies.

Advances to and guarantees of debentures of irrigation and drainage districts have also added to the debt of the province. Advances in respect of the Lethbridge Northern Irrigation District to March 31, 1936, amounted to $6,102,603. This amount must be regarded as a total loss, as well as a large portion of the net debt of $5.3 millions still outstanding in respect of the Lethbridge Northern and other irrigation and drainage districts' guaranteed bonds.

From April, 1930, to March 31, 1936, gross obligations of Alberta to the public, inclusive of current liabilities, increased by $43.2 millions. Contributing to this increase was assistance given to the Alberta Wheat Pool, relief expenditures, current account deficits and normal capital expenditures.

Relief expenditures made during this period were capitalized almost in their entirety, the total cost of direct relief, agricultural relief and relief works being $16.7 millions.

Excluding deficits on the telephone system, the province capitalized $13.1 millions of current account deficits from April, 1930, to the spring of 1935.

Financing in this period was made possible by the aid of the Dominion Government. Not only did the Federal Government provide direct grants-in-aid to help Alberta meet the abnormal expenditures of the depression years, but it also loaned substantial sums in order to enable the province to finance its share of relief costs and to meet some debenture maturities. Total loans from the Dominion Government at March 31 last amounted to $25 millions.

Gross debt of Alberta at March 31 last amounted to $182.5 millions. Against this there can be offset sinking funds and investments of $15.6 millions, giving a total net debt of $166.9 millions. Against the net debt may be offset fully secured loans, advances and accounts receivable, guarantees at present self-supporting and the investment of Alberta Government telephones, exclusive of rural lines, totalling $32.8 millions. It may therefore be stated that the citizens of Alberta are now required to service a net general debt of $134 millions.

Shown below is the amount of this debt incurred for various purposes:

Particulars of Net Debt

Purpose:	$
Roads, bridges & ferries	35,861,451
Public buildings	17,446,857
Public works	789,686
University of Alta.	4,838,566
University Hospital	806,224
Irrigation districts	11,499,962
Miscellaneous	1,479,227
Loans & advances	8,488,738
Deferred charges .... Capital losses	*31,823,578
Income deficits	17,838,159
Net income assets	3,212,041
	134,084,490

*After deduction of reserves of $9,930,015.

In the table below is shown the amount of debentures, treasury bills and savings certificates at March 31, 1936, and the average rate of interest on each.

Funded Debt

	Outstand. $	Average Rate of Interest %
Direct issues:		
Debentures	128,140,260	4.9
Treasury bills ...	25,758,750	4.0
Guaranteed bonds..	7,342,000	6.0
Savings certificates	9,285,937	4.3
	170,526,948	4.7

Under the terms of the order-in-council dated May 30, 1936, the provincial treasurer was authorized to offer as from June 1, 1936, and if the offer was accepted to pay holder of provincial bonds, treasury bills and savings certificates half the interest payable on such obligations, providing the rate did not fall below 2%. With respect to treasury bills held by the Dominion Government this reduction was never put into effect and the Dominion subsequently reduced the rate on all provincial treasury bills from 4% to 3%.

The following summary shows the effect of the stipulated reduction, after taking into account 3% instead of 2% on treasury bills held by the Dominion.

	$
Interest—at coupon rate	8,125,860
Interim rate for 1936-37	5,826,799
New rate for subsequent years..	4,509,985
1936-37 reduction	2,299,060
Reduction in subsequent years ..	3,615,875

One of the serious effects of the interest reduction legislation is its effect on provincial and municipal sinking funds not only in Alberta but in other provinces. In the case of Province of Alberta sinking funds any reduction in interest payments does not benefit the province, as funds available to meet maturing obligations are correspondingly reduced.

To the extent that municipal sinking funds do not provide for civic debts as they mature, an additional burden is imposed on the municipal taxpayer who will be called upon by further imposition of taxes on his property to make up the deficiency caused by any reduction in the earning power of such funds.

Beneficiaries of trust funds administered by the province suffer a direct loss to the extent that interest is reduced.

Alberta bonds held by public authorities of the province in provincial and municipal sinking or trust funds, as at Nov. 1, 1935, amounted to $16.9 millions made up as follows:

	$
Provincial sinking funds	9,638,038
Municipal sinking funds	2,020,500
Provincial trust funds	5,075,862
Municipal trust funds	163,533

Sladen-Malartic Mines Increasing Issued Stock

From Our Own Correspondent

MONTREAL. — Sladen Malartic Mines notified the Montreal Curb Market that 61,000 additional shares at 65 cents a share have been taken up under the terms of the option agreement. A balance of 228,000 shares now remains under option in the 65-cent block and a total of 2,049,016 shares are outstanding.

Investing for Profit

This circular deals with fundamentals in making investments and is invaluable to investors. Attention is called to certain industrial and mining investments. The circular was printed on December 2nd and already a majority of the stocks mentioned have appreciated in value.

As we do not participate in promotions this pamphlet is of interest to investors only.

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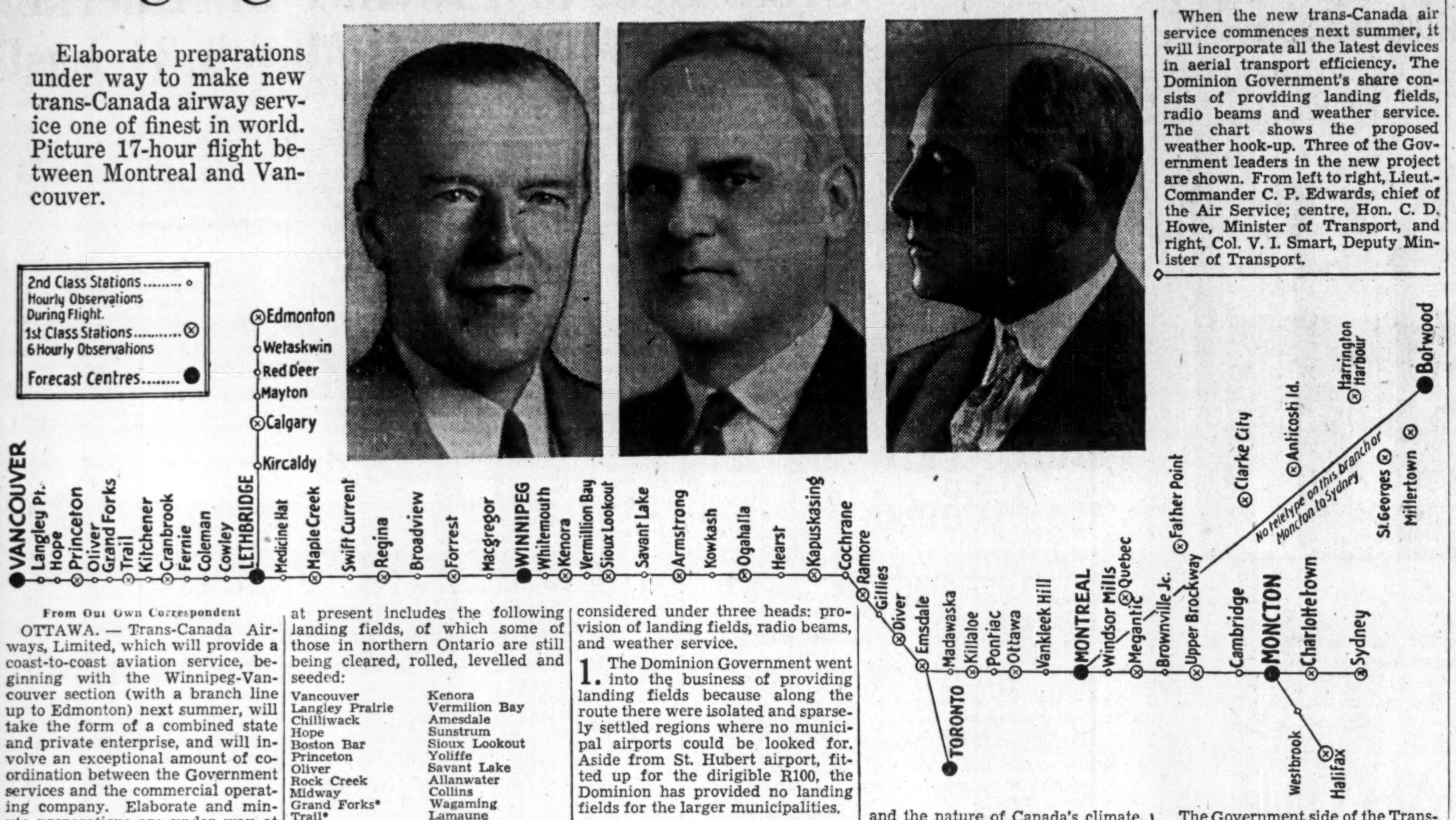
Winging Across Canada

Elaborate preparations under way to make new trans-Canada airway service one of finest in world. Picture 17-hour flight between Montreal and Vancouver.



When the new trans-Canada air service commences next summer, it will incorporate all the latest devices in aerial transport efficiency. The Dominion Government's share consists of providing landing fields, radio beams and weather service. The chart shows the proposed weather hook-up. Three of the Government leaders in the new project are shown. From left to right, Lieut.-Commander C. P. Edwards, chief of the Air Service; centre, Hon. C. D. Howe, Minister of Transport, and right, Col. V. I. Smart, Deputy Minister of Transport.

From Our Own Correspondent

OTTAWA. — Trans-Canada Airways, Limited, which will provide a coast-to-coast aviation service, beginning with the Winnipeg-Vancouver section (with a branch line up to Edmonton) next summer, will take the form of a combined state and private enterprise, and will involve an exceptional amount of coordination between the Government services and the commercial operating company. Elaborate and minute preparations are under way at Ottawa and along the route of the airway, to ensure that at an early date, safe, speedy and efficient service will be available for the mails, the travelling public, and the shippers of urgent express and freight.

Each Group's Share

The way in which the Federal Government, municipalities, and private enterprise will fit into the picture is as follows:

Weather service: Provided by the Federal Government.

Radio beam service: Provided by the Federal Government.

Airports and landing fields: Partly municipal, partly federal.

Aircraft: Supplied and operated by the commercial company.

Terminal facilities, aerodromes, warehouses, etc.: Provided by the commercial company, except for a few isolated aerodromes through northern Ontario, and across B.C.

The extent to which the state figures in the new aviation set-up is further emphasized by the fact that the "commercial" company will be partly owned by the Government, through Canadian National Railways, and that several of the directors will be appointees of the Government.

Subject to Regulations

Moreover the tariffs of the "commercial" company will come under the surveillance of the new Transportation Commission, which will also make regulations regarding safety measures.

The new aviation company will enjoy exclusive rights to provide the coast-to-coast service. In addition to this franchise it will be given the mail contracts by the Post Office Department.

The company will be required to provide a service satisfactory in regard to the time schedule. In the first instance an elapsed time of not more than 17 hours, Montreal to Vancouver, will be laid down by the Government. As greater speeds are obtained in commercial aviation, this will be shortened.

The "all-red" air route from Britain to the Far East will use a portion of the Trans-Canada route. Montreal will, it is expected, be the great radial point for air-line services when the North Atlantic route is thoroughly developed. As such it will become a clearing house and transshipping centre for the whole of North America.

The Montreal to Vancouver route at present includes the following landing fields, of which some of those in northern Ontario are still being cleared, rolled, levelled and seeded:

Vancouver
Langley Prairie
Chilliwack
Hope
Boston Bar
Princeton
Oliver
Rock Creek
Midway
Grand Forks*
Trail*
Salmo
Kitchener
Yahk
Cranbrook*
Fernie*
Coleman
Cowley
Macleod
Lethbridge
Taber
Bow Island
Medicine Hat*
Maple Creek
Cummings
Piapot
Webb
Swift Current
Valjean
Mortlach
Moose Jaw*
Regina*
Squirrel Hill
Broadview
Moosomin
Arrow River
Rivers
Forrest
Brandon*
Petrel
McGregor
Oakville
Winnipeg*
Vivian
Whitemouth
Caddy Lake
Kenora
Vermilion Bay
Amesdale
Sunstrum
Sioux Lookout
Yoliffe
Savant Lake
Allanwater
Collins
Wagaming
Lamaune
Tashota
Kowash
Nakina
Grant
Ogahalla
Pagwa
Nagogami
Hearst
Lowther
Kapuskasing
Tudhope
Cochrane
Porquis Jct.,
Ramore
Dane
Round Lake
Earleton Jct.
Gillies Depot
Diver
North Bay
South River
Emsdale
Reay
Sutton
Toronto
Lake of Two Rivers
Madawaska
Killaloe
Renfrew
Pontiac
Ottawa
Pendleton
St. Eugene
St. Hubert

* Municipally owned.

Key figures in the Dominion Government aspect of the Trans-Canada Airways will be:

Minister of Transport—Hon. C. D. Howe.

Deputy Minister of Transport—V. I. Smart.

Chief of Air Service—Lieut.-Commander C. P. Edwards.

Commander Edwards will be the link between the Government services and (through the minister and deputy) the commercial companies operating the Trans-Canada and other aviation routes in Canada. He will also co-ordinate the following services:

Meteorological Services, under Dr. John Patterson.

Civil Aviation, under J. A. Wilson.

Radio Services, under W. A. Rush.

To Invest Millions

The Dominion Government's investment in the Trans-Canada air route, quite apart from the creation and maintenance of a central executive and offices at Ottawa, will be approximately $8 millions by the time the first coast-to-coast flights are begun. Annual upkeep and operating costs will run into several hundreds of thousands. There will be a small direct revenue from the airport dues paid by commercial and private fliers for the use of Government aerodromes and other facilities.

Government aids to flying are best considered under three heads: provision of landing fields, radio beams, and weather service.

1. The Dominion Government went into the business of providing landing fields because along the route there were isolated and sparsely settled regions where no municipal airports could be looked for. Aside from St. Hubert airport, fitted up for the dirigible R100, the Dominion has provided no landing fields for the larger municipalities.

Where the fields are cut out of the forest, at least three runways in varied directions are provided, the desirable minimum length being 3,000 feet. Which runway the pilot uses depends mainly on the prevailing wind. The fields are scattered along the route at distances not greater than 50 miles, or about 20 minutes flying distances for the type of plane to be used. A pilot even in the northern Ontario region, or the Rockies section will always be reasonably close to a proper landing field.

2. The proposed radio beam service calls for 19 radio range beacons between Vancouver and St. Hubert, spaced so that at every point along the route a pilot will be able to "fly the beam." Each station along the Trans-Canada route will transmit radio beams east and west, so that fliers approaching and leaving the beacon will have the benefit of it. By the time the aviator is far enough away for one beam to become faint the next one is audible and begins to gain strength. The signals are continuously operating, 24 hours a day, interrupted at intervals to give a call letter which identifies the beacon, and at longer intervals to announce the weather forecast.

The principle of the radio range beacon is very simple. So long as the aviator is in the direct path of the beam, he hears an uninterrupted sound. If he leaves the path of the beam to the right, he hears a dot-dash signal, or to the left, a dash-dot signal. When he is immediately over the beacon he comes momentarily on a "dead spot." The beacons are usually placed about two miles from the landing field, so that the pilot can identify the "dead spot" and then coast down to the landing field almost flying "blind."

The radio range beacons for the Trans-Canada Airways, several of which are now complete and the others of which are either projected or being built, will be located as follows:

Vancouver
Princeton
Grand Forks or Trail
Cranbrook
Lethbridge
Calgary
Edmonton
Maple Creek
Regina
Forrest
Winnipeg
Sioux Lookout
Wagaming or Nakina
Kapuskasing
Dane
Emsdale
Toronto
Ottawa
St. Hubert

Stress Weather Service

3. Weather service. In view of the long distances, the sparsely settled areas of difficult flying country, and the nature of Canada's climate, the Dominion authorities are preparing to stress the forecasting service which is to be made available for the pilots flying the Trans-Canada service.

A reorganization of the Dominion meteorological services is being carried out for this purpose. The director is being relieved of responsibility for magnetic and seismological observations so that the branch can concentrate on weather study and prediction. The present service is being augmented, and the United States weather service is being linked with Canada's in a reciprocal fashion. Instead of two forecasts a day, there will be forecasts at much shorter intervals.

Six forecast centres are being projected, at Vancouver, Lethbridge, Winnipeg, Toronto, Montreal and Moncton. At each of these there will be a staff of trained meteorologists, providing pilots with a 24-hour service. Weather maps and forecasts will be plotted every three or four hours based on observations collected from scores of points near by, and made to conform with the hundreds of reports coming in from all over North America.

Latest Data Always Available

Teletype machines will carry these observations and forecasts into every landing field across the continent. Pilots will be given, just before they leave, the latest data regarding the weather on the route lying ahead, and a forecast as to the probable developments in the next few minutes. At any time along the route the pilot can ask the port he is leaving or the port he is approaching, for developments since he left the ground.

In an effort to give outstanding service on the weather, the latest methods of upper air study by use of balloons, and the newest hypotheses of weather formation on the North American continent are to be employed. When the North Atlantic service is begun, the observations from northern and eastern Canada are expected to be of vital usefulness to the pilots on that route, since as a general rule the movement of weather systems is across the continent from west to east, and the conditions which obtain one day in the Maritimes, usually are found, with modifications, over the Atlantic hours or days afterward.

The Government side of the Trans-Canada service is headed up by a group of engineers, several of them pioneers in their respective fields of aviation, radio and meteorology. Hon. C. D. Howe, Minister of Transport, is one of the leading structural engineers on the continent, and has acted as consulting engineer for the Argentine. He graduated from the Massachusetts Institute of Technology and subsequently lectured on civil engineering at Dalhousie. Later he was chief engineer of the Board of Grain Commissioners. The minister is an engineer first and a politician hardly at all. His slant on the airways problem is concerned chiefly with it as a problem in the provision of safe, efficient, speedy service.

Colonel V. I. Smart, his deputy, also brings a highly trained engineering mind to the problem. The list of his connections is a highly impressive one, including, among others, Canadian Government survey, faculty of McGill, engineer of several railway and signal systems, culminating as general superintendent of transportation for the Canadian National Railways, from which he was elevated to his present post six years ago.

Edwards is Modest

Chief of Air Services, and as such the "contact" man for the new airways, is Lieutenant-Commander Charles Peter Edwards, O.B.E.

Commander Edwards is a modest Welshman who for many years has known more about the technical aspects of radio than anyone else in Ottawa. He has combined this in recent years with numerous executive and administrative posts.

Ever since 1932 he has been the Reeve of Rockcliffe, an incorporated village of fine residential properties on the outskirts of Ottawa, which is a model for law and order, low taxes, efficient administration, budget balancing, absence of graft and other civic virtues. Commander Edwards is also a member of the council of Carleton County.

Worked With Marconi

He grew up with radio. He was born at Dodleston, Wales, Dec. 11, 1887, and less than 16 years later he was a junior wireless engineer with the Marconi Wireless Co. working under the direction of Guglielmo Marconi, then fresh from the triumph of having transmitted messages without wires from Cornwall to Newfoundland. In 1906 Commander Edwards became a wireless engineer with the Canadian Marconi Company in Montreal.

In 1909, at the tender age of 22, he became director of radio, Department of Marine at Ottawa, a post which he held with distinction for 27 years, until his appointment to be chief of air services a few weeks ago.

Commander Edwards has represented the Dominion of Canada at practically all the communications conferences since 1912.

He served with the Canadian Navy throughout the war, being responsible for wireless communications. His O.B.E. was a recognition of his service at that time.

Has International Reputation

In his new post, Commander Edwards is associated with Dr. John Patterson, who has won international reputation as a meteorologist. Dr. Patterson, after distinction at University of Toronto and Cambridge, became Imperial Meteorologist to the Government of India in 1905, and after five years there came to the Canadian service. He succeeded Sir Frederic Stupart in 1929.

W. A. Rush, came like Commander Edwards to the Government service via the Canadian Marconi Company, and, like him, grew up with the new art and service of radio.

J. A. Wilson has been for many years director of civil aviation with the Department of National Defense and now links up with the Air Services branch of the Transport Department.

JANUARY
WILL

REMARKS ON WILLS
Review your will every January

EVERY year thousands of wills become obsolete because their makers fail to bring them up-to-date. Hidden away in some safe deposit box, many of these documents bequeath forgotten property to persons who no longer exist and name executors already dead!

Make it a point to review *your* will every January and give careful consideration to changed circumstances. Consider, too, the qualifications of your Executor. The addition of a simple codicil is all that is necessary to secure the administrative services of The Royal Trust Company.

Read the column at the right.

Concerning your Will...

Your will is one of the most important documents you will ever be called upon to execute...

Do not rely on a "home-made" will; the courts are filled with litigation growing out of such mistaken economies...

Have your will drawn by your lawyer or notary and consult one of our officers in advance...out of his long experience, he may be able to offer valuable suggestions...

You must name an Executor—some person or institution to see that the terms of your will are carried out...

It is a mistake to assume a Trust Company as Executor is expensive...

The moderate fees payable to The Royal Trust Company represent sound economy, for the company's permanence, long experience and financial responsibility often eliminate costly mistakes and delays...

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Few men who, through the years, have planned and toiled to care for their dependents by building an estate, care to risk the substance of that estate through improper or unskilled administration after death. Yet the appointment of a private trustee leaves much to chance . . .

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Last Will and Testament

Your Will and Your Estate

Your Gifts and Charities

A university several philanthropic institutions, hospitals and a sanitarium lost nearly $1 million in legacies recently, because bequests to these institutions were cancelled by codicils in the will of Jesse Isidore Straus, wealthy American merchant.

The Straus will strikingly illustrated the manner in which taxation may defeat its own ends.

It said:

> "The present federal and state estate tax laws impose substantially increased tax burdens upon the estates of decedents and may under certain conditions cause undue hardship and financial sacrifice and loss resulting from untimely sale and liquidation of assets of estates to provide for the payment of such taxes. The increased estate taxes upon the estate of decedents are devoted in large part to governmental social programmes. Under the circumstances now existing, I deem it advisable to cancel and revoke the bequests made by me . . . etc."

The widow, to whom the estate was left in trust for her children, received an extra million. Half a dozen philanthropic institutions were left to the care of the "social programmes" noted by Mr. Straus.

It was a significant gesture which brought into sharp relief the relative merits of public and private charity, and the ultimate effect of taxing gifts for charitable purposes.

Must Report Gifts

Whatever the testator's views of the fairness or otherwise of taxing charitable bequests he cannot escape the result in Canada without subjecting his heirs to the risk of losing all the benefits he intended they should receive. Legislation in the various provinces of Canada provides that if an estate is taxable, so are the gifts given by the testator, with certain exemptions, and what is equally important, that all gifts and presents must be reported to succession duty taxing authorities.

In this latter provision lies the real element of danger for would-be tax dodgers. The nature of the gift, whether capital or income makes no difference. The important point is that on the death of the testator it becomes the duty of everyone who received a gift from him during his lifetime to report the gift to the taxing authorities. If it is found to be taxable, the recipient must pay the tax.

In Ontario—and provisions for other provinces are much the same in principle although differing in detail—two months is the period allowed heirs, dependents or others to report gifts. After that period the penalty is the duty itself plus 100% of the duty, plus a fine of $10 a day for every day the information has not been disclosed. The executor of the estate is personally responsible for meeting these penalties, equally with beneficiaries, in cases where the executor knew of the gifts and failed to report them.

In cases where gifts made by a testator are discovered several years after his death—a not unusual situation—the penalty may have mounted to a total in excess of the value of the gift itself. In that case the "gift" becomes a most undesirable liability.

Exemptions Allowed

There are, of course, exemptions allowed in the case of gifts made up to stated amounts and to stated relatives, the terms of exemption varying in different provinces.

Ontario may be cited as typical of the nature of exemptions on gifts, with its regulation that gifts to a total of $20,000 in value may be made to father, mother, son-in-law and daughter-in-law without being taxable. That does not mean that each may be given $20,000 but that the total of gifts to all cannot exceed $20,000 and remain tax free. This privilege has, however, an important conditions attached to it: that none of the $20,000 was given within three years of the testator's death. In that case, the law presumes that the gift was made in anticipation of death and to avoid succession duty.

It is important, too, for the testator who is considering the terms of his will in the light of gifts which he may make during his lifetime to note that succession duty exemption does not apply to the $20,000 if the gifts are made to wife, brother or sister. Also, gifts to charitable, religious or educational institutions are tax free, but only providing their work is carried on within the province. Presents to anyone up to $500 in value are likewise tax free.

Exempted or not, the value of all gifts, based on the valuation existing at death, are included in an estate for purposes of valuating the estate as a whole. The effect of this is to frequently raise the value of an estate into a higher bracket and consequently to make it liable to a higher rate of succession duty. Only by personal consultation with taxing authorities can the exact status of various gifts be determined for tax purposes. Gifts made outside a stated limit of time may be exempt; there is the question of the money spent on a university education of a son, a gratuity to an old employee, or a donation to a church.

These and a thousand other problematical conditions arise in connection with gifts and charities. Many of them must of necessity be discussed with provincial succession duty enforcement officials, but expert advice is also obtainable from legal sources and from qualified experts of leading Canadian trust companies.

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